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2 JUNE 1986

WEST EUROPE REPORT

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POLITICAL

EUROPEAN AFFAIRS

COCOM RULES CREATE DIFFICULTIES FOR NEUTRAL SWEDEN, FINLAND

Sweden Needs U.S. Arms Technology

Helsinki SUOMEN KUVALEHTI in Finnish 11 Apr 86 pp 74-77

[Article by Ake Sparring: "USSR Applies Pressure with Subs, U.S. with Technology: A Semi-Neutral Sweden?"]

[Text] Sweden has not very successfully been able to respond to the challenge of the alleged Soviet submarines. But Sweden's position is even weaker in the face of U.S. technological pressure. Both issues will certainly be discussed during Prime Minister Ingvar Carlsson's visit to Moscow next week.

Ake Sparring, the former director of the Swedish Foreign Policy Institute, discusses these new threats to our neighbor's neutrality.

Sweden has foreign policy worries. As is befitting a neutral nation, its concerns involve both superpowers.

Its military leaders are reporting new violations of its territorial waters with monotonous regularity. Officially, no one knows where the subs come from. Unofficially, they know. Officially, relations with the Soviet Union are normal. Unofficially, they are strained.

With the Americans the ban on technological exports, against which many of the United States' own allies have protested, is a problem. It is harder for neutral Sweden to register its protest. Swedish export items contain a lot of American technology that must not fall into the hands of the communist countries. The United States wants to keep tabs on and control its trade with the East Bloc.

Officially, this a matter that is handled between Swedish companies and the U.S. Government. Unofficially, the Swedish Government is also very much interested in it.

Both the subs and the ban on technological exports constitute major causes of concern for Sweden's foreign policy leaders. A neutral country that is incapable of protecting its territory and is incapable of withstanding economic pressure loses its credibility. When this is the case, it may be wise to

maintain a low profile. It seems to be a case of deliberate chance that the government's gray eminence, Government Secretary Sverker Astrom, wrote in SVENSKA DAGBLADET: "Generally speaking, a contest between politicians and the parties over who criticizes most loudly and who condemns the most and most often is not in Sweden's interests."

U.S. Has a 10-Year Lead

The subs are largely an old military problem. If Sweden can sufficiently threaten to pursue subs, such visits will become rarer. But it is not certain that Sweden has the means for doing so.

The ban on technological exports is a problem that is harder to handle. The export ban requires that Sweden work against the Soviet Union alongside the United States. Sweden has absolutely no means of not doing this.

With the aid of the export ban, the United States wants to keep the Soviet Union from getting its hands on militarily useful products. In many countries strict regulations apply to arms exports. The seller usually wants to obtain guarantees that his goods will not be reexported. This is also the essence of an export ban, an embargo.

The export ban above all applies to the electronic components contained in all weapons systems. According to the experts, the Americans have at least a 10-year lead over the Russians in electronics. A large part of "star wars" research involves electronics. The lead may continue to grow.

The matter is complicated by the fact that the same electronics is also used in civilian products. Thus the largest portion of the West European nations' exports falls under the export ban.

Sweden is extremely dependent on American electronic equipment. According to Academy of Engineering Science estimates, one out of every five Swedes uses some kinds of integrated circuits in his daily work. Not a single big Swedish company gets along without ongoing supplies of electronic components.

To begin with, these components are used in production itself. Secondly, they are used in the development of new products. A new Volvo is designed by a computer. The structures of the new fighter plane developed by Saab are being designed in the Cray-1 supercomputer. Thirdly, a very large number of Swedish export products contain American electronic components. It would be very hard to replace these parts.

Stansaab Opened People's Eyes

No one believes that the United States has any wish to harm Sweden. But the Americans will not let banned American technology slip into Russian hands through Swedish export products. This is why they want to inspect them. They want guarantees. They want control and control by themselves. If not, [the Swedes] will not get American technology either.

The American technology embargo has been in effect since 1949. What is new is that control has been tightened, penalties for violations are stiffer and that so much technology has been generated that has dual function.

The great Swedish public knew precisely nothing of all this before the Datasaab case was revealed.

Datasaab was an electronics firm which was originally called Stansaab. The company achieved international renown when it developed a combat command system for the Swedish Air Force. At the time the system was regarded as being developed to the utmost.

The state and Saab jointly owned Stansaab.

In 1971, that is, at a time when Russian-American relations seemed to be taking a real turn for the better, Stansaab received a query from Moscow about the flight command system, which would have been big enough to cover most of the European portion of the Soviet Union. The system was to have been ready before the 1980 Olympics. The Russians did not conceal their concern over the fact that the Americans might refuse to issue an export license for some of the system's electronic components.

Stansaab's management was hopeful. In 1975, the year of the CSCE in Helsinki, they signed an agreement with the Russians. Stansaab sent its application for a license to Washington at the same time as they began construction on it in Moscow.

When they did not receive a reply, Stansaab asked the government to intervene in the matter. Washington wanted them to change some of the parts and requested Stansaab to send in a new application.

For the second time the answer was no. In Washington they gave [the Swedes] to understand that the new application had been discussed in the National Security Council, which clearly demonstrated how important the matter was felt to be. They certainly realized this at Stansaab too since, when that company submitted its final application, the most sensitive components were omitted from it.

Then the license was issued — but on condition that the Swedish Government would supervise the deal.

In Moscow they fully realized that the system would not work in the intended way without the banned parts. The whole deal was in danger of going sour — and the contract was a big one for Stansaab.

Then Stansaab's management decided to smuggle the parts in. The Russians were satisfied. In the summer of 1979 the system went into operation. The government apparently did not realize what had happened at all.

To Afghanistan with Saab Equipment

On Christmas Eve 380 heavy transport planes took off from airports near Moscow with Afghanistan as their destination. President Carter, who was upset because of the Iranian revolution, immediately banned the exporting of all advanced technology to the Soviet Union. The Soviet air fleet was probably guided by the new Stansaab system. In early 1980 rumors began to circulate that Stansaab had violated export regulations. The rumors also reached Washington. The company's owners were afraid that they would have a bad time of it. Saab, which had the best of reasons for maintaining excellent relations with the United States, sold its Stansaab holdings to L.M. Ericsson. Shortly thereafter, the government did the same thing. But Ericsson took no risks. It was stated in the contract that the former owners would be responsible for any fines.

The Saab incident produced a kind of confidence crisis for both Swedish industry and the Swedish Government. Clearly something had to be done.

In the fall of 1981 U.S. Defense Secretary Caspar Weinberger and his assistant secretary, Richard Perle, were invited to come to Stockholm. They were received in a way that made observers' eyes bulge. One subject of the discussions was the Stansaab incident. Perle said that it had cost the U.S. Armed Forces several hundred million dollars.

Missile Sales Suspended

Another matter the Swedish Government wanted to discuss was the Sidewinder 9-J missile which would have been suitable for the fighter version of the Viggen aircraft. The Armed Forces had submitted their import license application in 1979. They assert that up to that point things had advanced rapidly. But at that point they were advancing slowly.

Weinberger seemed to be satisfied with his trip. On what they may have reached agreement is a closely guarded secret. But it was not until 1984 that the Americans completed their investigation of Stansaab, which in the meantime had changed its name to Datasaab. The company was ordered to pay over \$3 million in fines, the highest sum it was ever ordered to pay.

This happened in April 1984. In July a license for the Sidewinder 9-J was granted. By then the fighter version of the Viggen had been completed — 5 years!

It seems likely that American officials brought Stansaab and the Sidewinder together. But there is also another connection. Early in the year the Swedish Government had performed very creditably from the American point of view. This had to do with the so-called Hakansson case.

COCOM was established in 1949. In COCOM, which came into being on the initiative of the Americans, the West was to coordinate embargo regulations involving its trade with the East Bloc. Sweden was invited to participate, but that country declined on account of its neutral status. Formally. Actually,

Sweden had to yield and the export law was enacted in 1950. At that time the Swedish Government was using the COCOM lists of banned products.

In 1967, when relations between the United States and Sweden were not at their best because of the Vietnam crisis, the export law was repealed and connections with COCOM severed. As they were before, companies were dependent on their licenses, but the government was free of them.

But that too caused problems.

Computer Containers in Halsingborg

On 11 November 1983 there were four containers sitting in the port of Halsingborg. They had come from South Africa and were to go on to the Soviet Union. The goods belonged to a Swedish businessman by the name of Hakansson. Customs got a tip from American officials that there were items in the containers that were not to fall into the hands of the Russians under any circumstances.

The chief customs inspector in Halsingborg was a straight-backed official. He inspected the containers and ascertained that the cargo consisted of disassembled computers and some other items. There was nothing in the Swedish customs regulations that would have authorized him to seize the containers.

Under the circumstances the government quickly formulated a new law that banned the transshipment of military equipment from South Africa. After that, it still had to be demonstrated that computers were military equipment. To help them do this, they called on the expertise of the Armed Forces Research Institute and the Military Equipment Inspection Institute and the desired proof was obtained. On 15 January the containers were flown back to the United States where they were more than grateful to have them. Less discreetly, they announced that the equipment in the containers was destined for a factory that manufactures integrated circuits.

In Time Hakansson Sentenced for Tax Violation

Not all containers in which there is suspect equipment come from South Africa. They may also come from Norway, Denmark, Finland or some other well-behaved nation. In that event the Swedish customs office has no legal possibility of intervening. Sweden is getting to be an ideal country for smuggling, a fact that is painful for Sweden and impossible for the United States to accept.

Every externally imposed control has its limits. Doubts about the effectiveness of this control have also been expressed in the United States, where many firms engaged in smuggling are based. Considered from the American viewpoint, it may therefore be more advantageous to lay more emphasis on trust than on tight control. Trustworthy firms can be rewarded with the swift and liberal processing of license applications. Those who do not want to cooperate can wait. Time is money.

Government Has Humbled Itself

But there will always be firms ready to engage in smuggling since the chances of profiting from it are great. Therefore, the United States has to get governments to cooperate as well. The COCOM countries pose a problem inasmuch as their attitudes are often more liberal than the United States'. But the neutral countries are under heavy pressure. Austria has yielded and enacted a new export law that satisfies the demands of the Americans. Spain has copied the Austrian model — Spain does not belong to COCOM. India and Switzerland have reached some sort of agreement [with the Americans] and Finland seems to have arranged its affairs with its usual tactfulness. There remains Sweden. Last March, however, the government submitted its proposal for the enactment of a new customs law to the Riksdag.

So, according to preliminary guesses, the government has finally humbled itself. It was not easy. Sweden's doctrine of neutrality has always been based on the premise that the country's economy should be so structured that the country cannot be forced into political concessions through economic pressure. When this was for the first time asserted, they were thinking primarily of a war situation. In peacetime the populace is scarcely ready to make economic sacrifices for the sake of a principle.

Nor is the problem a temporary one either. American supremacy will probably continue to exist even in the 21st century. It is just as probable that competition with the Russians will continue to exist.

Next week Prime Minister Ingvar Carlsson will visit Moscow. They quite clearly hope that the visit may lead to an end to the sub visits.

The Americans have begun to get impatient about the embargo issue and they have their ways of applying pressure. As for the Russians, more and more irritated, they are following the situation.

Technology Vital for Finland

Helsinki SUOMEN KUVALEHTI in Finnish 11 Apr 86 pp 77-78

[Article by Martti O. Hosia: "Foreign Ministry: Finland Does Not Engage in Smuggling!"]

[Text] What would happen if Nokia — without a license — exported MikroMikkos equipped with an Intel 80186 microprocessor to the Soviet Union?

Or if there were banned American electronic devices in the navigational equipment of Wartsila's nuclear icebreakers?

Probably terrible things. The firm, or in the worst case the whole country, would be subjected to a U.S. export embargo.

This too is why Finland does not export anything illegally.

"Finnish firms have absolutely clean records. Our greatest fear is that some swindler will pull the rug out from under us," an industrial expert who will remain nameless said.

"Finland is not a country that engages in smuggling," the head of the Foreign Ministry's Commercial Policy Department, Erkki Maentakanen, asserted in his own written statement.

While violations have not occurred, everything points to the fact that people would rather remain silent on the matter.

Industry has been silent because — so it is claimed — Kari Kairamo, the general manager of Nokia and chairman of the TKL [Industrial Confederation], wants it that way.

Also, the Foreign Ministry's profile is a low one in terms of technology exports. It takes several days to get to see Maentakanen and get a statement from him.

We do not want to make a fuss over the problems caused by the export bans of the United States and its allies because Finland, no more than the other neutral countries, can afford to do so. Delaying shipments of high-tech equipment could be fatal to Finnish export firms.

The question as to whether U.S. officials have the right to check on, or still less determine, the operations of Finnish firms is under the circumstances a small detail only of interest to experts in international law.

Beginnings of a Nightmare

Among other things, the three oil-drilling platforms, built by Rauma-Repola for the Soviet Union and whose satellite navigation system had to be hurriedly exchanged for another one following the occupation of Afghanistan, have constituted the beginnings of a nightmare that have gotten as far as the press. In the United States they did not take a favorable view either of the containers of electronic equipment Finnish commercial firms shipped to Iran via the Soviet Union.

Harri Luukkanen, who was commissioned to make a study of high-tech foreign trade, stated in a report published in 1984:

"The biggest obstacles (to imports) observed in interviews with firms are occasional difficulties in obtaining the desired high tech from the manufacturing country or firm. It has, for example, from time to time been hard to get microchips, which are subject to licensing, from the United States or fiber optics for domestic needs of to be contained in products exported to the West. Because of the U.S. export embargo, we have been unable to reexport products or components to the Soviet Union or the CEPA countries."

There have not, however, been any big problems. By the Americans' own admission, Finnish firms have "behaved well."

"One-Sided Arrangement"

This is department head Maentakanen's precisely formulated view of U.S. export controls:

"In the field of high tech all countries probably want to protect their secrecy. For different reasons they also try to regulate reexporting. Export restrictions have always proven to be problematic.

Applied for years and tightened up these past few years, the U.S. export controls system is a one-sided arrangement that without a doubt restrains and impedes international trade and does not parallel its efforts aimed at freeing trade and removing obstacles to it, efforts which are especially at the present time being emphasized in international trade policy.

"Finland does not follow the export ban policy of other nations and U.S. export controls cannot as they are contain obligations for Finnish officials. Finnish firms nevertheless have to in practice operate with these restrictions. In their business dealings they can privately agree that some products will remain in Finland and that they will not be reexported or that their reexportation will be restricted.

"Firms try to determine the situation and consider their own interests in trade directed to different countries. It is naturally in their interest to preserve good and trustworthy relations with all parties. This is also in the interest of our trade partners and certainly none of them wants to damage Finland's economic development.

"If firms enter into agreements restricting reexportation on the basis of their own consideration of the matter, we must also assume that they will honor their pledges. This is not to be regarded as a restriction of one's sovereignty. Finland is not a country that engages in smuggling.

"High-tech products account for a relatively small percentage of Finland's foreign trade and a high percentage of them are manufactured domestically. No big problems have arisen. Our foreign trade system works well and within its framework we, of course, try to avoid those difficulties which restrictions imposed by other countries might produce for Finnish firms."

Overflowing with Consultants

Interpreted from the layman's point of view, the United States does not dictate to Finland, but woe is the firm that violates the export embargo.

Interpretations of the embargo list constantly maintained by the United States keep importers of electronic equipment and export firms engaged in the East Bloc trade so busy that consultants have found a new field of activity.

One of the trailblazers in this field is Heikki Auvinen, who heads Asumer Oy and who said that he has charted the course through the wildernesses of the embargo for about 200 East Bloc traders.

Auvinen's own regal idea is a high-tech "civilian use declaration" in which nations would pledge themselves to use high-tech equipment in excess of the limits only for peaceful purposes. A commission formed on the model of the International Atomic Energy Commission, which is under the jurisdiction of the United Nations, would monitor compliance with the agreement, a commission that might even be based in Finland.

Officials have not warmed to Auvinen's vision.

Another course charter is the Foreign Trade Union, in whose embargo session organized last fall about 100 people participated.

Next week it will be the turn of the Rastor Institute, the subject of whose seminar will be "U.S. Export License and Controls — High Tech in the East Bloc Trade." The speakers on that occasion will be American consultants William Brandt and Larry Christensen, who are specialists in the field.

The fourth organizer of lectures is the U.S. Embassy, which sends embargo experts on tours through West Europe. A tour is at present in progress, but the lecturers will not go any farther than Stockholm this time because of the Rastor Institute seminar.

The embassy's trade policy department, however, assured us that it helps firms that fear [that they may incur] violations. A list of export embargo products about the size of the Helsinki telephone directory can be consulted in Kaivopuisto, or even ordered from the embassy.

The information is there, but what do we do if the nightmare nevertheless becomes reality: A container of microprocessors addressed to Leningrad in the warehouse on Sompasaari, the sender unknown and the ship sent to receive it sliding up to the dock?

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POLITICAL

BELGIUM

FORMER ECOLOGICAL PARTY LEADER CRITICIZES TRENDS IN PARTY

Brussels KNACK in Dutch 2 Apr 86 pp 12-15

[Interview with former Ecolo MP Olivier Deleuze, by Jos Grobben: " 'If They Don't Watch Out, They'll Be Pounded Some More' "; date, place, and occasion not given; ellipses as in original; capitalized passages emphasized in original; first paragraph is KNACK introduction]

[Text] Ecolo MP Olivier Deleuze resigned not long ago because he thinks his party has made an "absurd" alliance.

Deleuze was one of the first MP's the Greens had in this country. When he literally bicycled into Parliament, it was real news. Since then Deleuze has revealed himself to be something of a Realpolitiker who has repeatedly drawn his party's attention to absurd positions and unfeasible goals. The agreement that Ecolo signed 10 days ago to help provide a reliable majority for the PSC-PRL coalition in the Walloon Council was entirely too much for him. He described it as an "absurd" alliance that will lead Ecolo to complete chaos. And he already has the first evidence that he was correct: Ecolo joined in signing the new Lagasse decree.

To express his displeasure with the agreement, just over a week ago Deleuze simply resigned. Both as an MP and as a member of Ecolo. That was some fireworks.

Deleuze: I admit it: I put on a show, but I think it's important to put it in the proper context--as I see it. What's happened inside Ecolo since the last elections? Everybody knows about the difficulties they were having in Wallonia: no majority for the PSC-PRL coalition, Toon Van Overstraeten getting thrown out to create a majority, Ecolo appealing to the Council of State to determine the illegality of the entire circus.

OK, in this context the Ecolo Executive Committee comes out in favor of making contacts with the various parties. Note: "contacts." If these were to develop into negotiations with other parties, everything was to be done out in the open. After each meeting a press communique, discussions, and so on... Well, people from Ecolo went to talk with PSC-PRL and came back with the message that it was just a matter of contacts, not negotiations, and so there was no need to make anything public. But those contacts resulted in a first basic text, the existence of which I only found out about by chance. I read something in a report from the Ecolo Executive Committee about a "strictly confidential document" connected with this. Now, I don't think that's right. I got terribly angry and at the next meeting I said: "How amateurish, people are drawing up secret documents but calmly reveal their existence in reports." I added cynically: "If Ecolo thinks it can permit itself such things, you ought at least to have been able to do it in a professional manner." Well, that first text later turned out to be the basis of the agreement. I showed it to friends of mine and they thought it was just as big a disaster as I did.

Blindness

[Question] But you turned out to be pretty much alone in that opinion. At a meeting on Friday, 21 March the agreement was routinely approved with a clear majority.

Deleuze: It wasn't that routine. There was to be meeting of the so-called Steering Group and there was a point on the agenda about the "contacts" in connection with the Walloon Region. Nothing about an "agreement," and at first I didn't even want to go to the meeting. Well, I did go and suddenly they presented an agreement. Nobody had seen it beforehand, we had to take it or leave as it stood, no amendments possible, and of the four Walloon Ecolo MP's two weren't even there. Is that internal democracy? I made it very clear at that point that I wasn't willing to be an MP for a party that would make such an agreement and even less did I want to be a representative of a so-called democratic organization that operated like that. I know, I know, as an Ecolo MP I too made compromises and defended positions that a majority of the Ecolo people thought were the right ones, even though I happened to have a different or more nuanced view on them, but there are limits. I told them then: "You can consider this blackmail or not, but if this is approved, I won't go along any more."

[Question] Could you really not think of any other way to...

Deleuze: ...like what? I don't want to have one foot in Ecolo and the other outside, like Ecolo now has one foot in the Walloon government and one foot outside. I'd rather have both feet in or both feet out.

[Question] You could, for instance, have tried to step in earlier, to put a brake on things. After all you were one of the party heavyweights.

Deleuze: I was aware of the contacts but you have to remember two things. First, I was not directly involved in this affair because, being from Brussels, I don't sit in the Walloon Council. Second, a clear mandate had been given to Ecolo representatives to make "contacts" and there was a built-in safety factor: if the contacts developed into negotiations, everything had to be done out in the open. Now, I may have misunderstood that.

[Question] Then that was a serious mistake. After all this is one of the most important agreements Ecolo has made in its short existence.

Deleuze: The most disastrous in any case. What does Ecolo hope to achieve with this agreement? Do you see the party already going over to the PSC-PRL with that paper? If they don't watch out, they'll be pounded twice more. Ecolo has simply let them put it--Ecolo--into their pocket. For me politics is just a game of power and those who don't play it carefully get eaten up by their opponent. And that's going to happen with Ecolo: it's being eaten up by the PSC-PRL. It's the blindness I don't understand. Maybe Ecolo hasn't educated its people enough, in the political sense at any rate, and you could also accuse me of having done too little of that... But that complete blindness... walking into the trap with their eyes open like that, I simply don't understand it.

[Question] Ecolo now claims that it has a number of concrete things down on paper guaranteeing advantageous cooperation.

Deleuze: In my opinion it's an empty agreement. Take a close look at those six pages. Ecolo commits itself to provide a majority for a number of issues, excepting everything directly or indirectly connected with dams, highways, nuclear plants, and political appointments. In exchange for that the PSC and the PRL will

draft decrees on such things as surface water, underground water reserves... Is that agreement advantageous for Ecolo? No. I have three observations to make on it. First of all, PRACTICALLY it won't work. You're sitting there with the PSC-PRL at a meeting and the subject of nuclear plants comes up. What are you supposed to do? You leave, go out into the corridor because you don't want to have anything to do with it. Five minutes later they let you in again to talk about the budget. And they ask you in a friendly way to approve the budget, because that's in the agreement. Even though the budget appropriates money for a new nuclear plant. That's just too absurd!

Second, those decrees. What are they anyway? A decree comes out: "Surface waters must be clean." Period. Signed, the minister. That'll get you a long way. That's empty show. And third, you have no power or control instrument at all. If you make an agreement like that, then at least see to it that you get ministers. As it is, you've got nothing to show for it.

Fantastic

[Question] Green parties everywhere seem to have the most difficulties when they have to change from being a party of critical ideas to a coalition party. The Germans too have had an awful lot of trouble with that.

Deleuze: The fact that the Greens have joined up with the SPD in Hessen I think is very positive. They were beginning to be labeled as a permanent opposition that didn't do anything constructive. Now, I personally am not a "purist" who believes you have to wait until you have 51 percent of the vote before you do anything. The difficulty, however, is this: when do you join a coalition, with whom, and on what platform? To do that you have to make two compromises, one INTERNAL to determine the modalities of the coalition, and one EXTERNAL to determine the content of the coalition agreement. What happened with Ecolo is that they simply never made that first compromise. I have the distinct impression that they're talking more about that in the Flemish Greens and I'd advise my Walloon and Brussels friends to go take more of a look at them.

[Question] What do you think of the coalition in Liège between Ecolo and the PS?

Deleuze: Liège was a VERY special case. Just the fact that they had to borrow 170 billion francs there... I'm no Maoist, but the power the banks have over a town like that... Well, I think what's happened in Liège is great; in Liège Ecolo really makes the difference between the PS on the one hand and the PSC-PRL on the other. There's no question there of helping this one or that one to get a majority for a bit, no, they're really joining in the government, with six members of the Municipal Council and three magistrates.

[Question] You haven't always been so positive about the Liège experiment, have you?

Deleuze: No, I've had to revise my opinion of that twice. In the beginning after more than 2 months of tough-as-nails negotiations, after they drew up the document--a real book it was--on the PS-Ecolo cooperation, I thought, "tremendous, tremendous." But then the talk started about total city salaries and wages, about possible firings. And the unions just sat there; only the ones in Liège came out on the street but nobody followed them. At that moment I thought: "My God, what can we achieve there? Wouldn't it be better if we just dropped the whole thing?" But it didn't happen that way; the poor Liège Ecolo's bit the bullet, with their main argument being that if they quit, it would be an opportunity for the PSC-PRL and that would be a bigger catastrophe yet. I admit it, I was very sceptical about that, but today I have to say that my doubt was unfounded. The Liège experiment is beginning to bear fruit. You see it in the small things: Place Saint-Lambert, which is finally presentable again after so many years, the fact that social housing is no longer assigned on the basis of party cards...

[Question] That lack of concrete accomplishments, in the long run can't that weigh heavily on a small party like Ecolo? All the large parties always claim that the small ones have no power and thus can't accomplish anything.

Deleuze: The Greens have been around in this country for scarcely 5 years, so you can hardly expect there to be a whole list of things they've accomplished. You can't fix up in 5 years what's grown up wrong in 150 years. What we have to do is to see if people accept our ideas. The question then becomes: "Have we succeeded in producing ideas that are new, that weren't around before, and that won't go away now?" That question is a lot more relevant than just plain asking about concrete results. And I would say: "Yes, something has changed."

[Question] Yes, for instance the fact that other parties are now going around with bits and pieces of the Green program.

Deleuze: So what? That's tremendous. Other parties are recirculating our ideas, I think that's fantastic. The goal of movements like Ecolo really can only be for its ideas to be recirculated by 10 million Belgians. There is of course the eternal question of how far the other parties are willing to go. I'm afraid they're not at all eager for such a REVERSAL and in many, very many cases it won't go any further than inclusion in party programs and pretty promises.

Tanks in the Street

[Question] You sat in the Chamber for 5 years. All in all did you find it a positive experience?

Deleuze: That first year I was right up in front, I had a fine view of everything. At that time I thought to myself: "This doesn't amount to much, does it?" The 212 people with their little intrigues, the lies, the quarrels... Oh, I knew they were all representatives of pressure groups, some of them with enormous power--I was probably the least important of them in this regard--but even so I wasn't impressed by that because I realized that the real power did NOT lie in that semicircle. The second thing I've taken away is that Parliament is the living proof of the imperfection of democracy. I voted for things there that I didn't understand at all, that I hadn't even read. At first the four of us sat there and we didn't even manage to get through all the documents we had to vote on. God, take a budget that 60, 70 specialists have been working on, you can't expect us to decipher that in the blink of an eye. When we had to vote on things like the harmonization of pension systems, yes, I have to admit in all honesty, we were competely at sea. That isn't right, you get frustrated. But when you get to thinking about it, you start looking for alternatives. And what's the alternative in this case? Tanks in the street. Well, if I have to choose between that shop and the tanks, it's an easy decision to make.

[Question] Do you think your resignation will have important consequences for Ecolo?

Deleuze: No. My resignation and that of two other Ecolo cadres won't plunge the party into chaos, but the agreement will. THAT is the coup de grace for Ecolo. The fact that I chucked the whole thing, oh, a party won't go under from one man overboard, but they'll be eaten alive...

[Question] Your resignation from Parliament is definitive, but it would seem that your resignation from Ecolo is not so irrevocable.

Deleuze: Ecolo hasn't become my enemy; if it had I'd be denying everything I used to worship, but as it is, I'm a member of the party who's resigning. The statutes allow anybody to apply. You are on probation for 3 months and then they evaluate you. So I'm free at any time to apply for membership and then it's up to the

movement to accept me after 3 months or to reject me. If Ecolo drops that disastrous agreement, then all options are open.

[Question] And what are you doing in the meantime?

Deleuze (holds up LE SOIR): Look here: "Young, active agricultural engineer seeks work." And then my name. That's me. Yeah, I really want to look for a job.

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POLITICAL

FINLAND

POLL FINDS SLIGHTLY MORE SUPPORT FOR GOVERNMENT THAN IN 1982

Helsinki UUSI SUOMI in Finnish 23 Apr 86 p 11

[Article: "UUSI SUOMI Compared Government's 'Testimonial' Now and in 1982, Center Most Satisfied, Even SDP More Approving"]

[Text] The government's reputation has improved slightly in 4 years according to a poll conducted for UUSI SUOMI by Taloustutkimus Oy [Economic Research Company].

Last March the government received an average grade of 7.16 on its report card -- in February 1982 the grade was 7.05.

It is politically interesting that the government's reputation has improved perceptibly among the Social Democrats. The SDP was the leading ruling party in 1982 as well as (Mauno Koivisto had just left the prime minister's post for the office of the president) in 1986.

The alleged consensus pressures have thus not weakened the government's favor within the party's own circles, to the contrary.

However, the Center Party was the most satisfied with the government in both polls be it the result of the attitude toward life among its constituency or its political achievements.

The farmers are also quite satisfied even though the grade they gave is lower while the grade given by Center Party members was higher on the average.

SMP [Finnish Rural Party] in the Middle

Among the other ruling parties the RKP [Swedish People's Party] is included in the group "others". In the recent poll the SMP's voters give a better grade than the opposition, but slightly lower than its ruling partners. In 1982 the SMP was also included in the group "others".

In 1982 the SKDL [Finnish People's Democratic League] was still in the government, but even then already its voters gave a grade in the spirit of the opposition. The grade given by the extreme left wing has fallen only slightly during its years in opposition.

Opposition More Satisfied

Since the satisfaction of the Conservatives with the government has improved slightly in spite of the continuing discrimination against it on the part of the government, both the large opposition parties now give nearly the same grade.

The consensus period is probably reflected by the fact that the difference in grades given by the ruling parties remains quite small.

Among the various age groups youth are the most critical, those over 50 are the most satisfied, but the gap is narrow (7.03--7.24). No actual differences appear on the basis of social position. Satisfaction is somewhat better in central Finland than elsewhere on the basis of residential area.

Women are clearly more satisfied than men -- now as well as in 1982.

The following question was presented to 892 respondents at the end of March 1986: "How well or poorly does the present government answer the hopes and expectations you would expect of a good government? Answer on the basis of the grading system of 4--10 familiar from school."

The average grades in the various respondent groups based on party support was as follows:

	March 1986	February 1982
All.....	7.16	7.05
SDP.....	7.34	7.15
SKDL.....	6.82	6.90
Conservative Party.....	6.85	6.67
Center Party.....	7.49	7.29
SMP.....	7.10	--
Greens.....	6.72	--
Others.....	7.10	7.13

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POLITICAL

FINLAND

NEWSPAPERS COMMENT ON POLL SHOWING DROP IN KOIVISTO SUPPORT

Swedish-Language Newspaper: Decline Exaggerated

Helsinki HUFVUDSTADSBLADET in Swedish 9 Apr 96 p 2

[Article by Bjorn Mansson: "President of Half the People?]

[Text] The president is not above all criticism, but UUSI SUOMI has carried the interpretations of its poll regarding Mauno Koivisto's popularity unnecessarily far, writes Bjorn Mansson, who finds it unfortunate if the presidential election should begin in this manner.

The political activity regarding the presidential election not quite 2 years from now is in the process of intensifying. As early as this month Center Party deputies will propose the nomination of Paavo Vayrynen for presidential candidate by the congress in June. The Social Democrats are still lying low, but Kalevi Sorsa has frequently had time to insist that Mauno Koivisto is the party's candidate, if only he is available. The nomination is expected to take place in the summer of 1987.

In conservative circles the aim is also, as is well known, to nominate the Coalition Party's own candidate during the party congress in the summer of 1987. The conservative press appears not have the patience to wait, however, but is already allowing its, let us call it curiosity, to be expressed.

Last Sunday the AAMULEHTI survey regarding the preferences of the Kokoomus activists in the presidential election was commented on here. That same day UUSI SUOMI published the results of a Gallup poll measuring President Koivisto's popularity. It appears to confirm what had been suspected, that is to say that his popularity, in particular in conservative circles, is decreasing.

The Gallup question was the following: "How well or how poorly does Mauno Koivisto fulfill the wishes and expectations you have for a president?" The replies were to be indicated by means of that grading scale between 4 and 10 which everyone knows from school.

The result is an average grade of 8.05, according to the usual verbalization of the grade point average, that is to say "satisfactory." However, this must be compared with the fact that the corresponding poll in February 1982, right after Koivisto had taken office, produced the average grade of 8.39.

However, more interesting than this in itself not overly significant change are the differences in popularity development within various social and party groups. UUSI SUOMI makes a big deal out of the fact that the president's popularity has declined most among white-collar workers, in the 35-49 age group for men and among supporters of the Coalition Party. The average grade given by the latter category has dropped from 8.1 to 7.4.

What conclusions should be drawn from this? UUSI SUOMI's editor in chief, Jyrki Vesikansa, personally goes very far in his initial comment: From having been the president of all the people, Koivisto is drifting toward being the president of just the left, and primarily of its basic supporters.

It is understandable that this undeniably rather harsh interpretation has aroused anger, especially in Social Democratic ranks. There is talk in the Social Democratic press of an "attack on a broad front" on the president, and the entire justified counterquestion is asked, whether a Harri Holkeri or a Paavo Vayrynen would be more of a "president of all the people." Party secretary Erkki Liikanen has had time to point out that Koivisto's potentially declining popularity should be compared to the popularity of other intended candidates.

In an editorial yesterday (see today's discussion below) UUSI SUOMI admits that in 1982 it was expectations that were measured and that not until now were achievements and results measured. One also admits that it is natural that a president who begun his activity under high expectations should see his popularity become somewhat worn "under everyday friction." When referring to the fact that Urho Kekkonen's popularity increased gradually over time, one forgets to mention that his starting position in 1956 was a completely different one from Koivisto's in 1982.

US [UUSI SUOMI] persists in its opinion that Koivisto "increasingly clearly is being branded as the president of his basic supporters, the leftist members of the FFC [Central Federation of Labor Unions]." This is a harsh judgement, which US tries to verify with a list of the president's "offenses" in relation to the conservatives: the government solution in 1983, when the Finnish Rural Party was included in the government, "the arrogant discrimination" of the Coalition Party, the decision in the issue of holidays in the workweek, the statement before the joint strike by the FFC, yes, US even mentions that Koivisto refused to participate in the scouts' 75th anniversary and accuses him of having assigned the lowest priority to conservative newspapers when giving interviews.

The list no doubt includes justified elements such as the weekday holiday controversy (particularly its constitutional side), but also material with

which it is unreasonable to burden solely or even principally the president (such as the government base).

Of course, the president cannot or may not be above all criticism--despite the fact that in Urho Kekkonen's days Finland's people was sometimes forced to experience the opposite. Nevertheless, it appears obvious that UUSI SUOMI has now unnecessarily--and actually foolishly--carried its interpretations of the current popularity poll to such harsh extremes. And that the Social Democratic reply has a taste of excess in self-defense.

This overture to the presidential debate therefore does not augur very well. Would Harri Holkeri, for example, perhaps like to make himself available in a campaign that starts out with the accusation that Mauno Koivisto is the president of only half the people?

Other Newspapers' Comments Summarized

Helsinki HUFVUDSTADSBLADET in Swedish 9 Apr 86 p 2

[Editorial roundup]

[Excerpt] President Koivisto's popularity has again been examined with a grading scale and the grade was 8.05, which is somewhat lower than before. UUSI SUOMI, which commissioned the grading, draws the conclusion that Koivisto has increasingly become the president of the left and that his stock among the citizens has gone down as a result of certain statements made and positions taken during the past months. In the communists' principal mouthpiece a columnist points out that the somewhat lower support for Koivisto has its explanation in the fact that the temporary excitement and desire for protest which characterized the latest presidential election have now faded. The FFC's mouthpiece discusses presidential power, while a writer for HELSINGIN SANOMAT's economics page believes that the issue of the fifth nuclear power plant faces a decision this spring.

Koivisto's Support

The slightly reduced support for President Mauno Koivisto which UUSI SUOMI reported in a public opinion poll is commented on by the newspaper.

"The disappointment of the white-collar workers and Coalition Party members is understandable. In various ways Koivisto has stressed that he is expressly the president of the traditional working population. At the bottom of this is probably his personal, well-known career. He seems, at least unconsciously, still to regard the white-collar workers as fortunate people, whose interests it is not necessary to take into special consideration."

UUSI SUOMI then notes the disappointment of the conservatives that they are still kept out of the government, something which even non-partisan conservatives are unhappy about, according to the newspaper.

"Besides the political issues the disappointment over Koivisto may also depend on his coolness regarding many cultural and other interests. For instance, the president refused to participate in the country's largest youth organization, the scouts', 75th anniversary celebrations. The most central conservative newspapers ended up at the bottom of the list over interviews with Koivisto.

"The decline in popularity for Koivisto is of course due not only to one or two incidents, but the weekday holiday decision and his position on the FFC's joint strike no doubt accelerated the development...

"One might think that from Koivisto's and the Social Democratic Party's point of view the opinion poll should be a source of concern, when the president's popularity has declined in the upwardly mobile social groups, particularly among those in the most able-bodied age group. For the Center Party, the result is an impetus to the campaign for Paavo Vayrynen.

"On the part of the Coalition Party, the result confirms its decision to enter a candidate of its own. People in the Coalition Party have also contemplated backing the sitting president; the price would of course be that they would be included in the cabinet. In this context they could point out their support for Urho Kekkonen in 1962 and, in the opposite case, that they opposed him in 1968.

"Such a game of tactics does not appeal to the membership of the Coalition Party, however, and on the other hand Koivisto is constantly moving away from the conservatives. But in a country with many parties it should be possible to enter various coalitions. Much depends on the conservatives' own candidate."

The Time of Ecstasy Is Past

If the grade given to Mauno Koivisto has dropped from 8.39 to 8.15, that in itself is not such a big deal, states editor Mauri Sirno in his column in the communists' KANSAN UUTISET.

"Noteworthy in this result is that the support has positively declined among intellectual workers and coalition party members. In this constellation the intellectual workers represent precisely that temporary ecstasy and desire for protest on which the Manu phenomenon to such a great extent was based. The grade given by the Coalition Party members reveals that the father of the nation cannot forever please all of his children. Right now those who are well off even feel cheated!

"Another element to which there is reason to pay attention is that the support for Koivisto has remained stable only among the People's Democratic League [DFFF]. The DFFF is also the only party which from the beginning had a realistic and critical attitude toward Koivisto.

"The 'idea' behind the now published poll is, of course, that the results benefit UUSI SUOMI and the business and industry delegation which is the newspaper's background. Jaakko Lassila's and Mika Tiivola's candidate will have more freedom of movement the further "left" Koivisto appears to drift.

"When pointing this out, it is not necessary that there be a genuine drift to the left, even. In political voting it is enough with just fantasy."

Presidential Candidate Vayrynen

When Paavo Vayrynen is entered as the Center Party's presidential candidate, the party can rest assured that he will cope with even the toughest strain, says ILTALEHTI, and reminds us that Vayrynen has already had to run the gauntlet in the political arena.

"Nevertheless, Vayrynen still seems somehow semi-finished. This is partly due to his youth, and partly to his reluctance to free himself from the world of ideas of the rich party bosses. The presidential candidacy is therefore likely to make the Center Party aim for the prime minister position more intensely than before, for which one is prepared to pay an increasingly higher price when the path to the office is cleared."

"It is thus too early to say anything about the Center Party's political program in the presidential election struggle. The party's daily press, however, pays minute attention to even the slightest offense it thinks it sees in the way President Koivisto discharges his duties. It is obvious that people in the party hope that it will be possible to leave out foreign policy, so that the election campaign can be conducted with domestic policy and ideological slogans. Koivisto, who is clever, will certainly find a way out of such a trap, if he is a candidate. If the opponent is someone else, it would be suitable for Vayrynen, who is experienced in foreign policy, to move the contest into that area."

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POLITICAL

FINLAND

PROGRAM OF 'DEMOCRATIC ALTERNATIVE' REJECTS CONSENSUS POLITICS

Helsinki HUFVUDSTADSBLADET in Swedish 18 Apr 86 p 2

[Editorial by Bjorn Mansson: "The Party That Doesn't Want to Be a Party"]

[Text] The registration of the minority communists' "democratic alternative" as a party confirms that the so-called unity efforts have reached an impasse, and it seems to be the decisive step toward the definite split of the FKP [Finnish Communist Party], writes Bjorn Mansson.

The decision by the minority communists last weekend to found an "election party" of its own must be regarded as a new, seemingly decisive, step toward the definite split of the Communist Party and the entire popular democratic movement.

The fact that "democratic alternative" will allow itself be registered as a party confirms that the so-called unity efforts have reached an impasse, although people maintain that the registration is only a formal one and dictated by the existing election laws. Either you are an r.p. (registered party) or not. The party also will not be dissolved immediately after the parliamentary election; on the contrary, it will continue its activity "until the FKP's course has changed."

The fact that the new party is not a normal party in all respects is evident already from its organization, which is extraordinary, to say the least. The party is headed by a "collective presidium" consisting of 11 persons who in turn, with a touch of the pathological, is headed by 74-year-old veteran Leo Suonpaa. At its side the presidium has a 100-person body called a delegation.

On the presidium sits, among others, former Finnish Communist Party boss Jouko Kajanoja, and the delegation includes minority leader Taisto Sinisalo, among others, but other than that there is an absence of well-known politicians. The intent is apparently to try to give the impression of spontaneous citizen action. Even some non-communists are said to be included, but exactly who they are has not been revealed.

"Democratic Alternative" apparently tries to model itself after the DFFF [Finnish People's Democratic League] and says that it intends to woo "leftist Social Democrats," progressive Center people, Greens and other alternative movements. This attempt is surely doomed to failure. Leftist socialists are likely to be more attracted by a DFFF/FKP purged of Taistoits, while people disposed toward the Greens surely prefer the Greens. Why would they support the minority communists?

That the "alternative" does not have any particular base is evident already from the fact that not even the most dogmatic of minority communists under Markus Kainulainen's leadership have allowed themselves to be convinced of the blessings of the election party. They would be prepared to found a regular Marxist-Leninist party....

The leading principle of the initial program declarations of the new party appears to be a complete rejection of the policy of mutual understanding which goes by the name of consensus. The intention is apparently to try to capitalize on the discontent over the wage agreements of which there are certain indications.

About a week or so ago TIEDONTAJA described this point with a very revealing expression: The motive for expressing solidarity with the striking civil servants was that one supports everyone opposed to the general wage agreements!

The "alternative" does not have any expressly communist or even socialist goals, but then it isn't supposed to be a genuine party, either. But how many non-communists do they believe they will succeed in attracting? Particularly since the ultimate intent is still to influence, not to say take over, the Communist Party.

Just how realistic that goal is, is another matter altogether. By founding a party of its own the minority now chooses to place itself even in person outside the FKP (and DFFF), which naturally do not tolerate double membership. How are they then to mobilize any opposition against the present FKP leadership?

Thus, the questions are multiplying about the newest of our parties. Its election prospects as well are a question mark. The minority communists are believed to have a chance at no more than half a dozen parliamentary mandates, while the DFFF could gather up to 15. Now they have a total of 27.

One consequence of the fact that two communist groups are participating in the parliamentary election is clear, in any event: From a purely mathematical point of view it will become easier for other parties, primarily the less conservative ones, to win mandates. For that they have the "democratic alternative" to thank.

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POLITICAL

FINLAND

WORKERS IN LIBYA URGED TO SEND DEPENDENTS HOME

Helsinki HUFVUDSTADSBLADET in Swedish 18 Apr 86 p 8

[Text] Relatives of those Finns who work in Libya have been advised to go home. At a meeting in the Finnish Embassy in Tripoli Thursday morning representatives of 12 Finnish companies in Libya discussed the situation and decided to recommend that spouses and children should be sent home. This does not involve any form of command, emphasizes acting Charge d'Affaires Ulla Maija Suominen at the embassy. Each Finn in the country will make his own decision to stay or go home.

Suominen could not on Thursday comment on how many Finns intend to leave the country or when the first will be leaving. There are daily connections with Europe, and if the airport is kept open and the situation remains as calm as now there should be no problems, Suominen said.

The Tripoli airport was opened on Thursday. Just how connections to the airport are operating was difficult to evaluate even as late as Thursday evening, but some airlines have announced that they are flying there. The mood among the Finns in the country has been calm, according to Suominen, and even the capital of Tripoli was calm on Thursday.

Traffic has been insignificant, and it seems as if the inhabitants of the city have brought their families out of the city in recent days, so that it is calmer than usual.

According to Foreign Ministry reports there are about 180 Finns in Tripoli, most of whom are employed in the country, and about 20 dependents. (FNB)

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POLITICAL

FINLAND

STALINIST NEWSPAPER ON NEW 'ORGANIZATION COMMITTEE' PROGRAM

Helsinki TIEDONANTAJA in Finnish 23 Apr 86 p 3

[Article: "TIEDONANTAJA's Base Expanding"]

[Text] Representatives of 750 primary sections and other organizations of the Communist Party, who will meet at the Hervanta Recreation Center in Tampere this coming weekend, will choose leadership organs for the party in accordance with the regulations of the SKP [Finnish Communist Party] as well as approve documents dealing with the Communist Party and the political situation.

The expansion of the publishing base of TIEDONANTAJA will also be determined in Tampere. At this time the newspaper is published by eight SKP district organizations.

Yesterday Taisto Sinisalo and Jouko Kajanoja explained the intent of the Tampere meeting to the press. Sinisalo said that demonstration meetings were previously arranged on behalf of the SKP, but now tougher measures are needed.

"It is time for organizational building," stated Sinisalo, in whose opinion the nature of the Communist Party as a Marxist-Leninist and internationalist party has been threatened since Arvo Aalto's faction seized power at the 20th Congress. Aalto has systematically begun to disrupt and dissolve the party by suspending nearly half of its district organizations, among other things.

New Party Will Not Be Established

"The selection of a new Central Committee is based on the assessment that for 2 years the party has not had a democratically elected leadership which enjoys the support of the majority of the membership," stated Sinisalo.

"We do not recognize the present leadership," stated Jouko Kajanoja. According to Sinisalo, the SKP's present leadership, for its part, does not recognize the membership.

Sinisalo and Kajanoja emphasize that it is not a question of establishing a new party and there is no intent to register a new Central Committee. Sinisalo commented on Arvo Aalto's argument that those meeting in Tampere do not have the right to use the SKP's name.

"We are Communists, we have a membership card and rules jointly approved by the SKP, also the suspended sections and districts will continue to carry the SKP's name, and no one can be deprived of their convictions."

Interest in the Tampere meeting has been so great that in addition to all the representatives coming from the areas of 17 districts, the 1000-person capacity hall cannot really accommodate observers even though there was a sufficient number of such people wanting to attend.

What is in question is a considerable assembly of forces on behalf of the SKP, say Sinisalo and Kajanoja. As a consequence, TIEDONANTAJA will become a nationwide newspaper from the present paper representing eight district organizations, its publishing base will expand, and its editorial staff will also acquire additional forces.

The YHTENAISSYYS paper, established a year ago, will cease publication. The selection of TIEDONANTAJA as the chief party organ will be proposed to the Central Committee to be elected in Tampere. The Tiedonantaja Association will not be disbanded, it will remain the paper's publisher.

Jouko Kajanoja believes that the expansion of TIEDONANTAJA's base will also mean that its circulation will increase. He pointed out that TIEDONANTAJA is in this respect an exceptional workers' paper since it has increased its circulation in recent months.

The Tampere meeting has been convened by the SKP's Organization Committee, in which the eight suspended district organizations and unification committees from the areas of nine districts are represented. In the invitation it states that the Tampere meeting will deal with tasks for preserving the SKP and continuing its work as a Marxist-Leninist party, and for strengthening its ideological, political, and organizational foundations as well as restoring party democracy.

The status of the district oriented unification committees will change. They will be made responsible for the work of the district organizations in their own areas. The nationwide Committee of SKP Organizations will be terminated.

Party Office in Pitajamaki

TIEDONANTAJA and the association publishing it have operated out of an office located in Helsinki's Pitajamaki for some time already. The new Central Committee and secretariat will also be located there. "There are vacant rooms in which they can be accommodated," stated Sinisalo.

Sinisalo corrected the publicly circulated erroneous interpretations of the relationship between the Tampere meeting and the Democratic Alternative election organization established a couple weeks ago. The task of the election organization is to assemble a front responsible for a consensus policy to be made as politically broad as possible for the elections, at the Tampere meeting it will be a question of saving the Communist Party.

SKP Unity Continues To Be The Goal

Jouko Kajanoja said that the unity of the SKP continues to be the goal. "We will not monopolize the symbol of party unity. We know that in the SKP there are many members who will not be represented in Tampere, but they support unity."

According to Kajanoja, there is a foundation for the 21st Congress to unify the party. According to the regulations, it must be held in the first half of next year. The Tampere meeting has been prepared by three committees, in which there is representation from the areas of all 17 of the SKP's districts. Each committee prepared its own document and in addition there was an election committee.

In accordance with the regulations 50 members and 15 deputy members will be elected to the Central Committee. A chairman, general secretary, a Politburo as well as a secretariat will also be elected to the Central Committee. The Tampere meeting is being compared with an extraordinary congress and no fraternal parties have been invited.

Banks and Insurance Companies To Be Nationalized

Current domestic policy development is called neo-right wing in the political document. The nationalization of banks, insurance companies as well as the most important large industrial plants, among other things, is proposed as a remedy for this development.

It is demanded that the basic income be made tax free by eliminating taxes on incomes less than 4,000 markkaa as well as the sales tax on food. The other side of the tax reform is the elimination of tax reliefs for large businesses.

The document is based on the political document prepared jointly and approved at the SKP's 20th Congress in 1984 and subsequently supplemented and made more timely.

A Mini CSCE for The Baltic Sea Countries

It is demanded that a low profile be abandoned in the area of foreign policy and that a new direction be given to trade policy which would strengthen Finland's cooperation with the Soviet Union and the other socialist countries.

A mini CSCE of Nordic and Baltic Sea countries, the consideration of which is being proposed to the Finnish Government, would be a concrete foreign policy initiative.

10576

CSO: 3617/103

POLITICAL

FINLAND

BRIEFS

COMMUNISTS SEEK TO JOIN GOVERNMENT--According to SKP [Finnish Communist Party] Chairman Arvo Aalto, the Communists will go into the forthcoming parliamentary elections with the purpose of creating political conditions for participating in the government after the elections. Aalto spoke about the government plans of the Communists on Saturday at a meeting of the SKP's Lapland District Organization in Kemi. Aalto considered the effort to turn back the political right-wing trend as the most important political condition. In his opinion, the strengthening of the SKDL [Finnish People's Democratic League] in the elections is an inevitable condition of this new direction. The most important lesson of government cooperation learned by the Communists so far is according to the Aalto the fact that the People's Democratic movement cannot lose the characteristic of a people's movement even while participating in government. [Helsinki UUSI SUOMI in Finnish 20 Apr 86 p 9] [10576]

POLITICAL

ITALY

POST-CONGRESS REFLECTIONS ON PCI

D'Alema on PCI Changes

Rome RINASCITA in Italian 3 May 86 pp 4-5

[Interview with Massimo D'Alema by Massimo Ghiara; date and place not given]

[Text] Reasons that require reflection by we ourselves. To have roots in a complex society and know how to govern democratically a process of decision and change, a process that does not diminish itself in a decisionistic reduction of complexity or gliding over it. Development of democracy in the internal life of society, and opening society up. Effort in invention, experimentation and cultural tension. The fundamental need for an atmosphere of solidarity that keeps firm among us the sense of common commitment.

[Question] One of the main novel features of the PCI 7th Congress was the attention to problems of the party, both with respect to its structure and to its relationship with the political system and society. What were the reasons for this choice?

[Answer] There were basically two reasons. First of all, the fact that we feel there to be an impoverishment of the party. The statistics show it--drop in members, aging process--as does also our experience in the life of our sections, marked by a decline in militancy, in active participation by the comrades. This, for a party that does not aim only at simply maintaining its membership but at having a role as a force of leadership and change, is obviously a reflection on itself.

The second reason is closely linked to the political innovation and cultural character of the discussions and decisions of the congress. In our history, the major political developments, the great changes, have always involved reflection and a process of party renewal. It seems obvious to me that today, when we define ourselves as a party that is an integral part of the European Left, as a party that accepts the challenge of the major economic, social and cultural transformations of our time, as a party that aims at being a force in government, we should pose three questions that affect both the structure and the way of life and work of our organizations.

[Question] The expression "modern reformist party" has been used to sum up

the significance of the reports emerging from the Congress on the subject of the party. Could you explain the factors that best characterize this definition?

[Answer] First of all, the three political choices that I underlined at the outset. There were various emphases in the congressional debate: it was said that the 7th should be the congress of the program government, then that it should be the congress of the alternation. Now I do not want to detract at all from the political value of these watchwords: however, in my opinion, in order to fully grasp the most profound meaning of this congress it is necessary to return to the nature and scope of the questions to which we should give an answer. In substance, what has again been called into doubt is whether a big communist party has meaning in this part of the world and in this historical phase. With the watchword, the formula modern "reformist party," we have given the right answer. We have affirmed that the Italian Communist Party, by its links with society, by its culture and its tradition, has within itself the possibility to assert itself in a not subordinate way, and this without renouncing itself, as a great reformist force in the alignment that is struggling in Europe to provide a leftist response to the crisis.

[Question] There are some who have a different idea about what it means, in fact, to be a reformist force...

[Answer] To us, there is only one meaning: to have roots in a complex society and to know how to democratically guide a process of decision and change, a process that does not reduce itself in a decisionistic reduction of complexity or gliding over it, since these two tendencies end up canceling each other out, without any effect on reality.

[Question] A point of great importance is development of democratic life within the party. The Congress sanctioned and broadened the right of dissent, but at the same time confirmed the unitary character of the party. Isn't that a contradiction?

[Answer] There is no contradiction, because the unitary character of the party must be understood simultaneously as objective and method, and not as "a priori." And it seems to me that from this point of view the process of the Congress debate was to a considerable degree exemplary, demonstrating in real life that it is possible to achieve, through an open debate in which differing and also contrasting positions are opposed, a broadly unitary synthesis.

[Question] Still on the subject of democratic life. Could one say that the Congress decisions point out the fundamental path for defining on the one hand the processes of decision-making, and on the other for better utilization of the great resources in culture, sensitivity, and creativity that exist in a mass political party like the PCI. How do you think this should be reflected in concrete, daily activity within the party machine?

[Answer] We formulated a series of proposals that move--I shy away from the ugly word--in the direction of, shall we say, a debureaucratization, an expediting of all the party's way of life and work. It is here that the issue

of greater democracy presents itself as essential. We are aiming at a party in which, through methods of consultation and sharing of responsibility with the basic-level leaders and members in the policy decisions, there will be a richer and continuous flow of opinions and information; a party that will at the same time be capable of involving in an organic and not occasional way the capabilities and specialties in the moment of decision.

What does this mean, concretely? A party that knows much better how to work for specific objectives, and thus gradually learns how to choose and concentrate the forces it has available. That creates the conditions so that women and men who are not committed full-time to politics have the opportunities and places to meet and give their opinion on things, naturally in such a way that this has a real effect. We need to call on members, friends, and supporters to give their opinion on concrete issues, while giving them all the necessary factors. The task of an apparatus is this and none other: to be a permanent structure that facilitates access of the citizens to political life.

[Question] These propositions call for a really considerable rethinking. In outline: in what area will there be retention, and in what area renovation?

[Answer] I believe that what must be kept and defended is a certain way of conducting and viewing politics, our characteristics of seriousness, intellectual discipline, and idealistic and moral intensity. In this sense, I maintain that the PCI should be a kind of "anti-leopard": there are things that must not be changed if one wants to change where it is necessary. Otherwise one can spark a conservative reflex in the party, a fear of the new, if the new comes to be seen as loss of values, loss of identity.

This also concerns the party's mass organizational structures. It would be a mistake to aim at opening up to specialisms, and to new forms of political and social activism, or also to introduction of "light" structures such as elimination or superseding of the mass party. Instead, these should be regarded as moments that give new life blood, new opportunities for participation, that further articulate and diversify also the basic structures of the party. I would mention the example of the vocational sections, or the political initiative centers: the right approach is not to regard them as substituting for the present base structure, but as instruments that enrich its life, that put it in communication with specific issues, different cultures, forms of new activisms, etc.

[Question] Out of Florence there came specific recommendations regarding a whole series of problems concerning renewal of the party. However, a congress document will certainly not suffice to change the situation forthwith, to overcome the difficulties.

[Answer] Indeed, what we are dealing with is a very complex task, not a short-term one, that requires an effort of invention, experimentation, and also of cultural stress, no less, I believe, than that which marked the building of the new Togliatti party. I think that the atmosphere, the relationship that we succeed in creating among Communists will be very important for the success of our effort: that is, an atmosphere of solidarity

that, beyond the diversity of political and cultural opinions--indeed, however wide a difference of opinion manifests itself, will hold firm the sense of commitment to a common task.

From this point of view, in my opinion something has deteriorated in the past few years. Personally, I am in favor of applying the Maoist principle of the "three things not to do." The first is not to profit from the mistakes that another comrade may make; the second, not to attach political labels, but to discuss opinions on merit; and the third, not to use a cudgel (in the metaphorical sense, naturally) in the political battle within the party. These are things that concern us; also, because we live in an open society we are under surveillance by the communications media. People want to look into our house as well, and we cannot close the windows. This requires a strictness, the defense of a certain style of relations among Communists, from the sections to the leadership groups, including the central leadership.

[Question] In the prospect of the modern reformist party, the issue of information is assuming increasing importance both within and outside the party. Here also: in what way do we want to change?

[Answer] This is a fundamental point. Today, when we talk about democracy, we are talking basically about information. Both within our party and in contacts with broader public opinion it is thus a matter of giving maximum exposure of the processes of political decision-making; hence, to have a press that gives richer information on the party, and also to give all journalists who want to report correctly on matters in our party the full capability to do so.

For our press, this means greater autonomy and responsibility. The editorial staffs of L'UNITA and RINASCITA, like all the other publications that express the line and culture of Italian Communists, are skilled political teams. The task of the party is thus to pay attention to their training, not to exercise control. Above all, autonomy is the condition for stimulating creativity and initiative. We need to move in this direction.

[Question] Both in the Congress report and summing up, Natta emphasized that the experience of the young Communists should be regarded as one of the points of reference to be kept in mind for the political renewal that is becoming necessary. Do you think that is right?

[Answer] Yes. I believe that the current experience of the FGCI [Italian Communist Youth Federation], that commitment effort to be a basic part of the youth world, is of the greatest importance. I am convinced that if we learn to regard it with respect, not in an instrumental way, without hostility and without paternalism, it can provide a significant enrichment for the party: enrichment in ideas, awareness of the reality, and for the future--which certainly does not seem secondary to me--also cadres, independent, with their own strong personality.

PSI's Formica on Leftist Alignment

Rome RINASCITA in Italian 3 May 86 pp 6-8

[Interview with Rino Formica by Massimo De Angelis; date and place not given]

[Text] The 17th Congress can mark an innovation that could change almost all the existing balances. We have never really established in our country the objective of alternating government. The centrality of the relationship between parties and society. The "European choice" and the end of the concept of the "communist camp." When will the candidature develop for an alignment in ruling the country: national interests and international balances.

[Question] With the 17th Congress the PCI has revived the policy of democratic alternation, and at the same time has confirmed the basic concept that only through a preeminence of programs instead of alignments will it be possible to unblock the present political situation...

[Answer] Nevertheless, the problem of alignments remains. In fact, we must reckon with the forces that are today on the field and that are aligned. And with the fact that, among those on the left, division and mistrust currently still prevail over willingness to understand, to be open. Certainly not ruling out, and indeed making every effort to make possible, a self-transformation of each force and a mutual influence.

[Question] You mean to say then that we need to start from alignments?

[Answer] I am saying that we must face all the political problems associated with creating a possible new alignment. Let us start from the actual situation. The 1983 elections produced a change in the old balances of political representation in our country. From then on, in fact, the DC could no longer think about the issue of political alliances without considering the needs of others. The potential centrist alignment, around which De Mita's ideas were revolving, has reached its historical nadir. By contrast, the PCI has held ground and the PSI has grown, though slightly. Nevertheless, this whole combination of things has not produced the conditions for a politics of replacement. The demand for change, while present in society, has not yet found sufficient channels for political expression. The parties are encountering ever-greater difficulties in perceiving and directing the energies pervading society. It is a problem that concerns the entire political system, but which obviously affects above all those forces aiming at political replacement. And I believe that at the origin of this situation is the fact that the left in our country has never really set for itself the objective of government alternation. It is a serious lag. While during all these years society's need for resolving solutions has grown, as well as a realization of their necessity, the political system has instead continued to find mainly the motivations or obligations to continue to stand together.

[Question] Then starting from programs cannot be an effective means to unblock this situation?

[Answer] But what does it mean: starting from programs? Meanwhile, it should

be said that the PCI Congress did not make very clear the difference between the proposals for a program government and for a constituent government; between a mediocre but possible proposal and a more substantial but impossible one. The program government is a proposal that cannot be central for a party that is thinking about alternation, but it is a proposal that can impose itself at a time when transition is making more acute, but not blocking, political relations. Constituent government, on the other hand, assumes as resolved a series of problems that are in fact not resolved at all.

[Question] There is the question of the new rules of the game. Do you think that starting off with their redefinition would be a shortcut?

[Answer] I say that either these new rules should serve once again for standing all together, and in this case talking about a constituent government amounts to confirming the impossibility for the left of offering a prospect for political exchange; or, if by the definition of new rules you want to create the conditions for the alternation, and then, yes, that proposal assumes as resolved problems that are not resolved and thus is not on the agenda.

[Question] You say that the institutional reforms are for later. However, pardon me for persisting, could not the discussion over the programs serve to point up the resolving solutions to which you referred?

[Answer] The programs also are for later. First there is the political action. It is the movements, the actions that come before the program. This may seem a somewhat activist way of putting the issue. However, I am convinced that on the left we can do nothing else but start from a discussion on relations between parties, movements and society. It is from this that a new culture and new attitudes can grow.

This a decisive issue, yet one that is today inadequately faced on the left. What relationship should there be with the new movements, such as the ecological or peace movements? More in general, what relationship should there be with the movements on "issues"? And what relationship with the trade union, with the organized labor movement?

We need to make more profound the discussion on the crisis of relations between the political left and the social left, on the crisis that has exploded in the past few years. Blaming lack of democracy and oligarchic practices seems a little simple to me. It appears to me that the political knot is something else.

[Question] What?

[Answer] The difficulty of providing sufficiently radical outlets to a growing social radicality. Turn the discussion to how the political system has functioned.

[Question] Too much mediation?

[Answer] Mediation is always necessary. Even the trade union, which is tied

to organization of interests, must mediate. However, it must seek mediation at the highest point, that is, the most advantageous point. And how is this level determined? From conditions and the political outlet. When the outlet is limited, when it is so small as to be disappearing, the new powers, the new interests that want to affirm themselves against the dominant ones, certainly end up being penalized. This is the situation that needs to be unblocked. All the rest is for after. The pact among producers is also for after. It can be a moment in the political struggle, not the plan for a grand alliance. Otherwise we will get back on the road of consociation.

[Question] Leaving your present topic, what did the 17th Congress produce that is new, in your opinion?

[Answer] Well, if what appears is true, we are in the presence of a strong new development. A broad assembly of forces and energies that is unblocking itself, that is entering into the political game, and that, in doing so, is tackling the political struggle in radically different terms than in the past. And that is, not by seeking reasons for standing all together, but reasons for coming up with alternatives. This would involve a radical break from the established order of things, and thus also manifold advantages for each. In fact, the playing room that Italian democracy has thus far offered is certainly less than the scope of general representation. This would be only a relative ailment if the "micro" currently underway had, on a reduced scale, the same social characteristics and proportions as the "mega." However, that is not the case. And then we have an unbalanced democracy.

In this condition of imbalance of interests, the reality, forces in conflict, has nevertheless established a balance, a precarious one, but existing. And which operates with justification of "condition of necessity." If suddenly the political playing space were to expand, all the balances would be upset, because a strong surge of energy would be produced, all concentrated on one side of the political alignment. This is because the time factor is becoming a matter of political quality for the left.

[Question] Is that the knot to be untied in the Communist issue...

[Answer] Certainly. There is the Communist anomaly. The PCI is the only really strong communist party in the West, if we exclude the case, perhaps rather special, of the Portuguese party. However, precisely for this reason, there is a need to better understand the meaning of the "European choice." That it is not a question of "examinations" to make, nor a problem of the greater or lesser distance between the PCI positions and those of this or that element of the European left, which is furthermore not a homogeneous reality. What is the real truth then? The real truth is that the "European choice" sweeps away the concept of "Communist camp." Remember the old polemic of the Chinese Communists with the Soviet Communists. At that time, the Chinese maintained that there were the national realities and then the new, large world areas of international policy: the Soviet, the American, the nonaligned, and the European. However, it was no longer the "Communist camp." It seems to me that with the "European choice" the Italian communists objectively approach this concept; a concept that also brings down the theory of polycentrism, which was a variant, certainly rather less rigid, but not the

elimination of the Communist camp idea.

This is a matter of a development favored by the new international circumstances. In fact, I am still convinced that if the breakaway by the Western communist parties from the USSR was important, the breakaway by the USSR from those parties would be decisive. Not as a death sentence, but as a recognition of a new relationship. It appears to me that Gorbachev's approach is in this direction. And it is from the end of the "Communist camp" that will emerge true autonomy of the communist-inspired parties. And this will definitely create a new political space.

[Question] Let us return to the Italian political system and in particular the relationships on the left. What are the problems and how might they develop?

[Answer] The PCI talks about reformism without reform. And that is alright. Let us say, however, that we have long been experiencing the combined effect of a reformism without reform, and a revolutionary expectation, also without reform. For a transformation regarded as impossible, either because they lacked the means, or because it was planned so far in the future as to become almost a dream. Here, of course, there has been the strong effect of the communist "diversity," which created a deep chasm between the present society and the future one. The combined effect of these two tendencies has caused minor mediation to prevail, and has enabled a progressive consolidation of the existing system, while the reasons for change were harbored in individual consciences without rising to the level of organized forces. Hence the lag, hence the entangling of diverse interests and also diverse ideals, hence the ever greater opaqueness of the relationship between the political system and society. Hence also why today it is necessary to start with identification of the major resolving issues and reconstruction of a new relationship among parties, movements and society.

However, such questions quickly recall other problems, starting with that of the structure of the parties...

[Question] On the left there has been a lot of discussion in recent years about the "light" party and the mass party.

[Answer] The necessary work of constant reforming decomposition and recomposition does not call for a light party, one that is emotional and election-oriented, concentrating on the daily challenge rather than the future prospect. But nor is the old mass party adequate for this policy, one with an adding machine vocation, and in which enrollment and participation were based on the feeling of belonging.

[Question] Someone talked also about the unitary party of the left, or rather of the issue of the relationship among parties of the left. What do you think about that?

[Answer] The concept of the unitary party conflicts with the histories, which are different, of the parties of the left, but above all it is in contradiction to evolution of the system of political participation. If the

party channels are today inadequate, the one-party solution does not appear to me to be a solution. Thus, we should rather settle with a system of alliances and with the issue of political alliances. And then it becomes crucial, as I said, that there be clarity on the resolving issues. However, this is not enough. Because then there is posed, to various degrees and from time to time, the problem of the costs that will have to be paid to support to the end a resolving decision, in a context in which the reformist alignment will necessarily have differing degrees of intensity within itself in favor of a policy of change. What is then also needed is a continuing great intensity virtually throughout the reformist alignment. Since there is no rigidity in a reformist alignment, just as there is none in a moderate alignment, the intensity is the glue that can hold an alignment together.

As I said, all this requires time. It also requires a corresponding cultural evolution.

However, I am convinced that it has now been understood on the left that an entire phase has ended and that any prolongation of this phase harms the political system overall.

However, here a further question arises: when is the candidature for a political alignment leading the country finally ready? This condition is fulfilled, and I agree with Vacca on this, when those forces achieve the position of balancing point of national politics within a framework of international politics. In the past, the DC has represented this balance point. Its mistake has been to think that this could be extended to apply also for all the other political forces. Nevertheless, one must consider that that balance point reflected a given situation, and today appears outdated: today we are clearly in a phase of evolution.

[Question] Let us come finally to the current political situation. From all you say, it is obvious that a quality jump with respect to the five-party setup is necessary, as well as to the logic itself that supports it.

[Answer] I believe that both the DC and the PCI for convenience assigned to the five-party setup a strategic value which the facts do not justify. It did not have such a strategic value for one obvious reason: it is parties and not governments that have strategic prospects. Governments can be supported by more or less lasting political conditions, but they are always targeted to management of the present, and they represent a balance point relative to the overall system.

[Question] Yet governments derive legitimacy from the convergence of the various strategies of the parties...

[Answer] From the convenience of the parties. A government policy can assume strategic value when there is a party with an absolute majority. However, it is a contradiction in terms, a grammatical error, to think that coalition governments can have strategic value. And it is an error in both grammar and syntax to think that that is possible for coalition governments in proportional electoral systems. The strength of the five-party setup is something else. It is a strength proportional to the duration of the current

phase of transition of the political system. If we do not get the political system in motion we will prolong the transition phase. However, if the forces interested in the change will stir, then the game will resume.

Focus on West Europe

Rome RINASCITA in Italian 3 May 86 p 7

[Article by Heinz Timmerman of the Federal Institute of Studies on Eastern International Relations and Countries, in Colonia]

[Text] The Italian Communist Party regards itself as an integral part of the European left--and this, beyond the discussions of foreign policy strategy, was certainly the central theme of the 17th Congress--for two reasons that are in my view closely interconnected. As for its relations with abroad, this affirmation reveals the PCI's intention to concentrate on Western Europe and the European Community more than it has done in the past, that is, an intention to cooperate more with the forces that have set as their target the "self-affirmation of Europe," understood as greater political autonomy within the Atlantic Alliance and transformation of the Community in a progressive social realm. Hence the differentiated attitude toward the United States (the fact that the PCI considers it as the main partner of the Alliance in the West) seems to me worthy of note, just as is worthy of note the PCI's desire to remove the ideological character from its relations with the Soviet Union by classing them in "political categories."

I regard this "lay" vision of the Soviet Union as an important premise for a common line of the West European lefts--a line that within the Atlantic Alliance seeks to understand what are Gorbachev's new postulates in foreign affairs and to discover, for example, whether Moscow is showing today a greater sensitivity in regard to the security of Western Europe than was shown during Brezhnev's time. This in turn could give a start to an East-West dialectic and create scope for action also in Western Europe. One aspect, yet one which the Congress passed over too quickly. The detente policy of the West European left cannot abandon a reformist policy conducted jointly by socialism and democracy. Without it, the "Europeanization of Europe" (Willy Brandt), long desired, will remain unaccomplished.

A closer cooperation within the left, aimed at strengthening the internal structures of the European Community and the structures of its self-affirmation toward the outside, presupposes that this left obeys equal and analogous principles, values and motivations, despite the differences deriving from the different political heritages and the specific national situations--as is the case with the socialist and social-democratic parties of West Europe. To this end, there is great significance in both the developments for the future approved by the Florence Congress and the fact that the PCI has defined itself as a modern reformist party. Above all, because the PCI has gone beyond the concept of political "diversity" and has drawn conclusions from the fact that both itself and the society around it are constituted in a complex way and are distinguished by a pluralism of ideas and culture.

I feel that the following are characteristic (to mention in this initial quick

analysis only the most important): the orientation toward basic values such as freedom, justice and solidarity, that is the surmounting of rank and file "monism" in commitment to socialism in favor of a rank and file "pluralism"; the strategy of gradualism in program that looks to a progressive transformation of society; and finally the fact that the controversial discussion of the political options and options on formation of majority and minority are not only tolerated but regarded as definitely stimulating for decisions on the new problems. All this certainly shows adherence to the traditions, aspirations and motivations of international social democracy (including the German) expressed in the Godesberg program. The PCI in particular keeps an eye on the German Social Democratic Party because the two parties resemble each other: they are both mass parties, which were born and have grown historically with large social participation, and which--unlike the "new" French, Spanish and Greek socialist parties--are closely linked with the unions and owe their strength also to their solid anchorage in local bodies and their pragmatic support of the latter. It is clear that the points of contact derive from the dualism (typical of the German Social Democratic Party, that is, of a force that has a program aimed at achieving democratic socialism), as a result of which it presents itself at the national and regional level as a party of coalition, reformist, open in a permanent way to dialogue and compromise, and, at the same time, as a governing party.

On the other hand, Godesberg only established basic values and orientations, from which the German Social Democratic Party is inspired to find new answers to new problems: those of the socialist state, bureaucratism and centralism, economic growth, the conflict between economy and ecology, the "austerity" policy, the role of Europe and organization of the peace. Exchange of opinion and experience among the social democrats in Europe is increasing independent of the fact that the German Social Democratic Party is the prototype of social democracy and the French Socialist Party is the prototype of the parties that continue to reject a "social democracy."

From this viewpoint, the reformist orientation has turned to the Europe of the PCI, which the Florence congress emphasized to be very important both for the policy and character of the party and for the entire social-democratic left of Western Europe. It remains to wonder whether the PCI--in view of the varying opinions on economic policy, social policy and security policy that prevail in it--will have the strength (or even the capability) to translate this general orientation into practice. This is an aspect of the issue on which the Florence Congress, while stressing laicization of the models of behavior and action, provided little clarification.

9920

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POLITICAL

NORWAY

WAGE CONFLICT SEEN BEHIND POLL GAINS BY LABOR PARTY

Conservative Voters Defecting Leftward

Oslo ARBEIDERBLADET in Norwegian 19 Apr 86 p 9

[Article by Alf Hildrum]

[Text] The Labor Party received a support of 46 percent during the wage conflict, and 27.7 percent answered that they would vote for the Conservative Party if an election were to take place.

A total of 27.6 percent of the Conservative voters from the parliamentary elections last fall have left their party. The Conservative Party is losing voters both to the 'No Opinion' group and to the Labor Party. The Labor Party, moreover, is mobilizing voters who did not go to the polls last fall.

This appears from an opinion poll taken by Opinion A/S [Public Opinion Institute, Inc.: POI] in Bergen for ARBEIDERBLADET while the big labor conflict was in progress. A total of 744 persons were interviewed by telephone during the period of 8-10 April.

POI has computed the relationship between the views of the voters on the low-wage issue in the labor conflict and their choice of party. The conclusion of POI is that the position of the trade union movement on the low-wage issue has strengthened the Labor Party in relation to the Conservative Party.

ARBEIDERBLADET today also publishes the monthly opinion poll taken by Norges Markedsdata [NMD]. The poll was taken during the period from 15 March to 10 April. The trend of this poll is the same as that of the poll taken by POI. The Labor Party got 42.6 percent of the vote, the highest percentage since January 1978. The Conservative Party got 30.2 percent, a setback of 1.4 percentage points from the February poll. The reason for the larger changes in the poll taken by POI is probably that the POI poll was taken exclusively during the labor conflict.

Confirmed

The background figures of POI support this evaluation. They show that many of the Conservative voters have become uncertain. A total of 27.6 percent of the party's voters from the parliamentary elections state that they do not intend to vote for the Conservative Party now. But POI has also asked them whether the Federation of Trade Unions was right in not giving in to the demand to weaken the low-wage arrangement. And within the group of Conservative voters who support the position of the Federation of Trade Unions, the defection is larger. Here, 38 percent will no longer vote for the Conservative Party. A total of 12.7 percent of these voters state that they will vote for the Labor Party, while 22.5 percent has defected to the 'No Opinion' group. The remainder has defected to other parties. The defection is considerably smaller among Conservative voters who disagree with the Federation of Trade Unions, viz. 22.8 percent. Within this group, the party loses 2.1 percent to the Labor Party and 16.6 percent to the 'No Opinion' group.

Labor Party

The poll shows that, in general, and irrespective of people's position on the wage conflict, the Labor Party is doing better than the Conservative Party at present. The party is better able to hold on to its voters from the last election than the Conservative Party. It gains 5.5 percent of the Conservative voters while the Conservative Party only gains 1.7 percent of the voters of the Labor Party. And it mobilizes 14.6 percent of those who did not go to the polls during the parliamentary elections. A total of 6.5 percent of the voters who did not go to the polls during the parliamentary elections state that they will now vote for the Conservative Party.

But it, moreover, looks as if the labor conflict has strengthened the support of the Labor Party. While the party, on the average, is supported by 14.6 percent of the non-voters, 21.7 percent of the non-voters who support the position taken by the Federation of Trade Unions on the low-wage issue state that they would vote for the Labor Party. And, in addition, it is thus primarily voters who support the position taken by the Federation of Trade Unions who have left the Conservative Party to join the Labor Party.

Long-Term Effect

The poll seems to confirm that the labor conflict also assumed a clearly political dimension. Other sections of the poll taken by POI show that many voters were of the opinion that the government supported the Employers' Confederation and that the Employers' Confederation and the government were primarily to blame for the conflict. This causes the Conservative Party to lose votes, while the major Opposition party reaps the benefits from people's displeasure with the conflict.

It is, of course, not possible to say for certain whether this poll is merely a reflection in the extreme of a particularly dramatic situation or whether the events during the labor conflict will have lasting effects. Only the

trend of the polls during the coming months will show this. We know that other dramatic events have had long-term effects. The EC conflict is the most typical instance. There is no basis for believing that a short-term labor conflict will have such effects. On the other hand, the possibility that the conflict within the society which we witnessed in early April may cause some people to reevaluate their political standpoints, cannot be ruled out. The party strategists will therefore probably be particularly anxious to learn the results of the polls to be taken in the coming months.

Highest Figures in 8 Years

The Labor Party scored its highest polling figures in 8 years. The Conservative Party lost 1.4 percentage points. The figures of the Labor Party and the Socialist-Left Party alone were larger than those of the coalition parties and the Progressive Party.

These are the main points of the monthly opinion poll taken by NMD, which appeared at the very time that the Conservative Party was holding its national congress.

The polling took place during the period from 15 March to 10 April, thus primarily prior to the big conflict in the labor market.

These are the figures for each individual party (adjustments for changes which have occurred since the parliamentary elections in parentheses):

Socialist-Left Party 6.1 (up 0.7)
Labor Party 42.6 (up 0.4)
Center Party 5.7 (unchanged)
Christian People's Party 8.0 (up 0.1)
Conservative Party 30.2 (down 1.4)
Progressive Party 3.5 (up 0.4)
Liberal Party 2.5 (unchanged)
Liberal People's Party 0.4 (up 0.1)
Red Election Alliance 0.4 (down 0.3)
Communist Party 0.3 (down 0.2)
Others 0.4 (up 0.2)

Affecting Election Debate

"I believe that everybody will be looking askance at the polling figures when discussing the new electoral system."

The above statement was made by the secretary of the Labor Party, Ivar Leveraas, in conjunction with the party's record-high result of 46 percent in the poll taken by POI for ARBEIDERBLADET. He makes the reservation that the poll is not part of a regular monthly poll but is nevertheless not surprised at the trend:

"A connection between the dramatic labor conflict caused by the Confederation of Employers' provocative lockout and the support given to the various parties would not be abnormal. It is likely that the Labor Party has gained and the Conservative Party has lost support as a result of this. The reaction to the question of the low-wage guarantee showed a similar trend."

Leveraas finds it most gratifying that most people react when somebody tries to make the difference in the society greater:

"This reaction is particularly important for a party with our basic viewpoint."

He also points to the poll taken by NMD, saying that the Labor Party is gaining ground in the polls, whereas the Conservative Party is experiencing the opposite trend.

"This is an important stimulus to the entire party prior to the local elections in 1987 and the parliamentary elections in 1989."

"Will the record-high polling figures mean that the Labor Party anew will aim at a clear majority?"

"That will, invariably, be our ambition. But this poll shows that we really have good possibilities of achieving it."

"Will the polling figures affect the work that is now in progress within the party committee on the electoral system?"

"I am myself not a member of that committee. But it is my impression that everybody will be looking askance at the polling figures when discussing various electoral systems," Ivar Leveraas says.

(1) NMD - Politisk barometer - februar 1986

	Fylkes- tings valg Sep 1985	Mar 1985	Apr 1985	May 1985	Jun 1985	Aug 1985	Sep 1985	Stor- tings valg Sep 1985	Oct 1985	Nov 1985	Dec 1985	Jan 1986	Feb 1986	Mar 1986
SV (2)	5,3	4,6	5,1	5,3	5,4	5,8	5,5	6,6	6,5	6,1	6,6	5,7	5,4	6,1
A (3)	38,9	39,2	38,2	39,7	38,7	38,5	40,8	41,5	41,8	41,5	41,0	42,2	42,2	42,6
SUM (4)	44,2	43,8	43,3	45,0	44,1	44,3	46,3	47,9	48,3	47,6	47,5	47,5	47,6	48,7
S (5)	7,2	6,1	6,4	5,3	6,0	6,6	6,6	5,5	7,3	6,1	6,2	6,4	5,7	5,7
KRF (6)	8,8	8,3	7,7	8,4	8,5	8,1	8,3	7,6	8,0	7,9	8,7	7,9	7,9	8,0
H (7)	26,4	30,8	31,0	29,9	30,1	30,0	30,4	30,4	28,0	31,0	30,7	30,0	31,8	30,2
FRP (8)	6,3	5,5	5,8	4,9	5,3	5,4	3,7	4,0	4,8	3,6	3,9	3,5	3,1	3,5
SUM (4)	48,7	50,7	50,9	48,5	49,9	50,1	49,0	47,5	48,1	48,6	49,5	47,8	48,3	47,3
V (9)	4,4	3,6	3,5	4,5	3,7	3,5	3,1	3,2	2,6	2,2	1,6	2,5	2,5	2,5
DLF (10)	0,7	0,6	0,3	0,4	0,7	0,7	0,5	0,5	0,4	0,3	0,3	0,7	0,3	0,4
RV (11)	1,2	0,8	1,2	0,7	1,0	0,9	0,6	0,6	0,2	0,5	0,8	0,5	0,7	0,4
NKP (12)	0,4	0,3	0,5	0,7	0,5	0,2	0,2	0,1	0,1	0,6	0,2	0,3	0,5	0,3
ANDRE (13)	0,3	0,2	0,3	0,2	0,1	0,4	0,4	0,3	0,3	0,1	0,1	0,3	0,2	0,4
TOTAL (14)	99,9	100,0	100,0	100,0	100,0	100,1	100,1	100,1	100,0	99,9	100,0	100,0	100,1	100,1
Antall svar om partipreferanse (15)	1056	1037	984	1024	1052			1030	1095	993	970	1098	1066	1075
Antall intervju over 18 år (16)	1255	1262	1216	1263	1268			1218	1240	1191	1152	1282	1248	1266

The poll adjusts for the changes which have occurred since the parliamentary elections.

Computed statistical margins of error may be of the order of up to 3 percentage points for close to 50 percent of the total number of votes.

Approximately 2 percentage points for 10-20 percent of the total number of votes and down to 1 percentage point for lower shares in the total number of votes.

The poll was taken during the period from 15 March to 15 April 1986.

NORWEGIAN MARKET DATA [NMD]

Key:

- | | |
|------------------------------|---|
| 1. NMD-->Poll--February 1986 | 11. Radical Liberal Party |
| 2. Socialist-Left Party | 12. Communist Party |
| 3. Labor Party | 13. Others |
| 4. Total | 14. Total |
| 5. Social Democratic Party | 15. Number of answers to party preference |
| 6. Christian People's Party | 16. Number of interviews with persons above the age of 18 |
| 7. Conservative Party | 17. County Board elections |
| 8. Progressive Party | 18. Parliamentary elections |
| 9. Liberal Party | |
| 10. Liberal People's Party | |

Gallup Poll Confirms Trend

Oslo AFTENPOSTEN in Norwegian 2 May 86 p 3

[Text] Two days prior to the government crisis, Gallup/NOI [The Norwegian Gallup Institute: NGI] completed a political poll for AFTENPOSTEN.

The poll shows gains for the Labor Party and a clear setback for the Conservative Party, advances for the Socialist-Left Party and the Liberal People's Party. The socialist parliamentary parties account together for upwards of 50 percent of the vote.

The poll thus does not reflect any effects of the dramatic events during the last few days, involving the debate on the measures of restraint and the Willoch government's cabinet problems, which culminated in the fall of the Willoch government last Tuesday night.

The concrete figures of the poll, which was taken during the period 12-27 April, show a setback of 2.1 percent for the Conservative Party, while the two other government parties have stable support.

THE NORWEGIAN GALLUP INSTITUTE/AFTENPOSTEN

	(16) Stor- tings- valget 1981 %	May %	Jun %	Aug %	(16) Stor- tings- valget 1985 %	Sep %	Oct %	Nov %	Dec %	1986 Jan %	Feb %	Mar %	Apr %
Ap. (1).....	37.1	38.9	37.6	37.3	40.8	41.6	41.9	42.6	43.0	41.0	42.2	43.3	43.9
DLF (2).....	0.6	0.1	0.3	0.6	0.5	0.6	0.5	0.0	0.3	0.4	0.8	0.1	0.7
Fr.p. (3).....	4.5	4.0	3.3	4.1	3.7	4.5	4.1	3.1	3.1	3.5	3.5	3.1	3.3
H (4).....	31.8	31.9	33.5	32.8	30.4	29.0	29.8	31.1	30.2	30.4	30.2	30.9	28.8
Kr.F. (5).....	9.3	8.7	8.7	8.9	8.3	7.4	7.6	7.5	7.8	9.5	8.0	7.2	7.3
NKP (6).....	0.3	0.1	0.3	0.3	0.2	0.2	0.1	0.0	0.1	0.4	0.2	0.3	0.1
RV (7).....	0.7	0.9	0.5	1.3	0.6	0.6	0.7	0.7	0.6	0.3	0.6	0.6	0.6
Sp. (8).....	6.6	6.5	5.8	5.8	6.6	6.2	6.8	6.5	5.8	4.8	5.7	6.0	5.8
SV (9).....	5.0	5.2	5.9	5.7	5.5	6.3	5.8	5.7	5.7	6.4	5.9	5.7	6.6
V (10).....	3.9	3.3	3.7	2.9	3.1	3.3	2.7	2.5	2.7	2.2	2.3	2.2	2.5
Andre (11).....	0.2	0.3	0.5	0.3	0.4	0.4	0.0	0.4	0.6	1.1	0.6	0.6	0.4
Sum (12).....	100.1	99.9	100.1	100.0	100.1	100.1	100.0	100.1	99.9	100.0	100.0	100.0	100.0
Ap. + SV (13).....	42.1	44.1	43.5	43.0	46.3	47.9	47.7	48.3	48.7	47.4	48.1	49.0	50.5
H + Kr.F. + Sp. (14).....	47.7	47.1	48.0	47.5	45.3	42.6	44.2	45.1	43.8	44.7	43.9	44.1	41.9
H + Kr.f. + Sp. + Fr.p. (15).....	52.2	51.1	51.3	51.6	51.3	51.6	49.0	47.1	48.3	48.2	46.9	48.2	47.4
47.2	45.2												

The figures indicate the number of people who would vote if a parliamentary election were to take place tomorrow, of those who would be absolutely certain to vote. The question was also asked which party they would vote for in a parliamentary election in 1985. The difference between the support of the individual parties on this question and the actual election result in 1985 has been used as a weighting factor.

The poll was taken during the period 12-27 April 1986.

Key:

1. Labor Party
2. Liberal People's Party
3. Progressive Party
4. Conservative Party
5. Christian People's Party
6. Communist Party
7. Radical Liberal Party
8. Center Party
9. Socialist-Left Party
10. Liberal Party
11. Other parties
12. Total
13. Labor Party + Socialist-Left Party
14. Conservative Party + Christian People's Party + Center Party
15. Conservative Party + Christian People's Party + Center Party +
Progressive Party
16. Parliamentary Elections

7262

CS0: 3639/107

POLITICAL

NORWAY

LABOR PARTY, CONSERVATIVE PAPERS ON OIL PRICE DROP EFFECTS

Labor Organ Cites Problems

Oslo ARBEIDERBLADET in Norwegian 20 Mar 86 p 4

[Editorial: "Rescue Operation"]

[Text] The government's irresponsible economic policy, which includes a tremendous increase in loans and the growth of private consumption, has created big problems for the Norwegian economy. In particular, the ability to compete with our most important trading partners is becoming weaker and weaker. If we are to avoid falling "off the edge of the cliff," to use Prime Minister Willoch's words, the government must now resort to countermeasures.

We believe there is every reason to draw attention to this background for the government's so-called Easter package with its retrenchment measures. It is true that the drop in oil prices has made the situation even more difficult, but it is the government's own economic policy which lies at the heart of the problems that have arisen. When Prime Minister Kare Willoch stands up and calls on all the parties to cooperate in order to straighten out the Norwegian economy, it is in reality a cry for assistance in solving problems which his own government has created.

We regard it as quite natural that the Labor Party, as a responsible party, is willing to negotiate with the government parties to find a useful way out of these difficulties. The Easter package from Finance Minister Rolf Presthus must then be viewed as a starting point for such negotiations. If the Labor Party is to participate in the economic rescue operation, the party wants to have a say in the content and quantity of the measures.

Labor Party spokesmen for financial policy have already made it crystal-clear that the Easter package cannot be approved the way it is. The measures taken must be somewhat more comprehensive. Here the Labor Party can point to the series of proposals which the party's parliamentary group has recently put forward to counter the so-called speculation economy. If the government parties go along with these measures, the national budget will be increased by roughly 1 billion kroner all told.

It is our unqualified view that in the economic initiative taken last week by the government and the Labor Party there lie opportunities for finding a broad, unifying solution. Whether it will succeed remains to be seen. It is obvious that the whole thing will stand or fall with the capacity and desire of the Conservative Party--and especially Prime Minister Willoch--for constructive teamwork with that segment of the opposition, such as the Progress Party, which does not define itself as part of the government foundation.

The group leaders of both middle parties, Johan Buttedahl (Center Party) and Harald Synnes (Christian People's Party), have stated that they wish to negotiate with the Labor Party on an economic package. They have also publicly admitted that there is much which they can support in the Labor Party's proposals for measures against speculation in the Norwegian economy. At the same time, it is quite apparent that both Synnes and Buttedahl place great emphasis on keeping Carl I. Hagen and his party as far away as possible.

As a point of departure, in other words, things look promising for a sensible arrangement of retrenchment measures which can gather broad support, at the same time as Buttedahl and Synnes manage to keep Carl I. Hagen out of "good society." There is, however, a "but" in this matter. Synnes and Buttedahl are expressing themselves in roughly the same way they did last autumn during the budget talks. And those ended, as everyone knows, in negotiations and collaboration with Carl I. Hagen. Because the Conservative Party wanted it that way. So we will see if history repeats itself.

Oil Crisis Hides Mistakes

Oslo ARBEIDERBLADET in Norwegian 21 Mar 86 p 4

[Editorial: "Falling Behind"]

[Text] If one disregards the direct impact on the Norwegian economy, then the government actually has reason to be grateful to OPEC. The drop in oil prices and in Norwegian oil revenue came at a fairly opportune moment. For the government it has been an ace in the hole which is exploited to the maximum in order to shirk responsibility and divert attention from an economic policy that has failed for 4 years.

No one knows today how great an effect the reduced oil prices will have on the Norwegian economy. Nor can anyone reliably judge how long the oil revenue will remain at a reduced level. But it is quite clear that the oil price drop has become a considerably graver problem for the everyday Norwegian economy because the government's economic policy has been a fiasco.

That segment of Norway, Inc, which should be our security anchor during a time of lost oil revenue and which must once again gradually resume the role of economic girder for commercial activity in mainland Norway when the oil sources vanish is in very poor condition.

Norway is losing shares of the market both at home and abroad. Marketing statistics from the Central Statistical Bureau show that Norwegian export commodities

2 June 1986

have lost in competition with others and that the Norwegian share of industrial goods on the export market dropped from an index of 100 in 1981 to 77 in 1985. A similar development has occurred for Norwegian goods on the domestic market. In our own stores and in Norwegian commercial activity in general, Norwegian manufacturers are losing in competition with imported articles.

Norwegian manufacturers have experienced a sharp decline, so to speak, in all the commodity groups which are included in the statistics for export market trends. There is just one exception, chemical fertilizer, which is at the same level as in 1981. Some commodity groups--machines, for example--have lost nearly half their share of the market after 4 years of Willoch's "growth policy."

In such a situation there is a howling need for action regardless of whether oil prices go up or down. This is the challenge to which the Labor Party again responds with its "emergency package" of measures for trade and industry. The Labor Party submits proposals for an all-out effort in three areas: education, research and development, and internationalization. It is almost impossible to overemphasize how essential such an all-out effort has now become. The large fluctuations in oil income make it even more imperative to reinforce the foundation for the growth of Norwegian trade and industry. There is only one path to follow if we are to escape from the negative spiral which statistics on market trends outline, and that is to begin the buildup of knowledge as soon as possible, to reequip institutes of research and education, and to bring about the development and switchover which have become absolutely necessary. This holds true not only for the economic foundation of Norway's future but also for the preservation of jobs.

The Labor Party's package of measures will cost 425 million kroner. We hope the government will spare us the usual trite phrases about our being unable to afford it. In educational and research circles, despair is spreading over budgets reduced to a minimum, and the results--both on the export market and here at home--tell their own story about industrial and commercial life which is falling steadily behind. The costliest thing would be to do nothing.

Willoch: Unemployment Danger Appearing

Oslo AFTENPOSTEN in Norwegian 22 Mar 86 p 3

[Article by Lars Hellberg: "Willoch Calls for Moderation; Real Danger for Mass Unemployment"; first paragraph is boldfaced lead-in in original]

[Text] "If we don't do something jointly in time to prevent an additional strain on the Norwegian economy after the oil price drop, we will later be forced--no matter who is then in charge--to adopt retrenchment measures which will inevitably lead to mass unemployment," points out Prime Minister Kare Willoch in a conversation with AFTENPOSTEN. If we become overindebted to foreign countries, we will eventually lose our freedom to act economically, he emphasizes.

The prime minister's formula for how--despite the dramatic decline in oil revenue--we can avoid reaping the sad experiences other countries have reaped before us looks like this in broad outline:

--The natural thing for the Norwegian people must be to consume a little less and work a little more, not work less in any case.

--We will all be losers in a dog-eat-dog battle for shares of the economy. It is more important than ever before that everyone contribute to protecting the economy from the dangers of overstrain and collapse.

--Satisfaction with large wage increases will in any event be very short-lived. The benefit that results if people are content with small wage increases will last a long time.

AFTENPOSTEN: "There are those who believe that our problems are self-inflicted. Gunnar Berge, the Labor Party's chief spokesman on financial matters, said the other day that Finance Minister Rolf Presthus ought to have his driver's license taken away for speeding."

The Alternative

"The alternative is to turn the wheel over to Berge, who so far has done nothing but sit in the passenger seat and yell 'faster, faster.' When no one was looking, he himself has seen fit to step on the gas pedal. We have never disclaimed responsibility for our own acts, but the Labor Party is offended when we remind it of the consequences of its proposals for more and more outlays.

"The way society has evolved, it has been impossible to place more stringent limits on private loans without incurring higher interest rates. But the Labor Party and several others have gone in for lower interest rates. Practically speaking, in other words, the opposition has made demands that would lead to even more loans, but it nevertheless complains that too much money is being loaned," says Willoch, shaking his head.

"Opts Out"

Now he looks forward to spending the Easter holidays with his family and friends. After "laying the Easter egg," he needs to get away from the world of everyday politics. But he does not want to say whether he is going out of town or where the trip might possibly take him. Willoch does not offer the interviewer a juicy sidebar to top off a serious interview.

On the other hand, he feels an urgent need to discuss the disaster which is about to befall Norway, to borrow a phrase from Presthus. Willoch points out that after the oil price drop it is not at all unrealistic to expect a foreign trade deficit of 30 billion kroner during the current year and 45 billion as early as next year. (Just last year there was a surplus of roughly 30 billion kroner.)

"All we want to do is protect ordinary people from such disasters by hitting the breaks in time," says Willoch. He does not hesitate to characterize the demands for a higher living standard and shorter working hours as demands for "greater speed in the direction of an economic crisis."

Dangerous to Society

AFTENPOSTEN: "Yet there are those who claim that the drop in oil revenue has little to do with the wage-scale settlement insofar as the drop does not affect the enterprises' capacity to pay wages."

"That is a conclusion which is dangerous to society and erroneous. Today it is essential for us to increase the export of everything except oil, and it is vital that we reduce imports. To bring this about, we must make Norwegian goods more competitive."

"With regard to what government employees want for wages, I can merely state that the dramatic decline in oil revenue has reduced the employer's capacity to pay, to put it prudently," stresses the prime minister.

Concerned

But he is concerned about the fact that in terms of wages certain groups in the machinery of government lag behind corresponding groups in private industry. It is easy to see that an upward adjustment is needed for certain groups.

"The overwhelming problem is, however, that practically everyone wants the same upward adjustment as those who might get something extra so that the State will be able to compete for specialists who are in short supply. And giving much more to everyone is a formula for the destruction of our economy," says the prime minister.

AFTENPOSTEN: "Do you have any hope of being heard by the parties in the labor market when you emphasize 'the long-lasting benefit from small wage increases'?"

"People in general are individually aware of these interconnections, even though most of them have an understandable desire to strengthen their position in relation to others. However, the main problem is tied in with the organizations, which are big, powerful, and cumbersome creatures it takes a long time to change."

The prime minister wholeheartedly agrees that the belt-tightening measures the government introduced last Friday are modest. He emphasizes that care was taken "not to provoke" the parties which are in the thick of wage negotiations.

New Measures

"It would be wrong for me to deny that the government may be forced to suggest further measures to restrict consumption and thereby limit the increase in Norway's foreign debt," he continues. "We must also reduce the demand-pull because it in turn creates wage-drift which threatens jobs," he stresses.

AFTENPOSTEN: "What is the teamwork situation like in the government? The Center Party has recently directed some searing criticism at the coalition government's regional development policy."

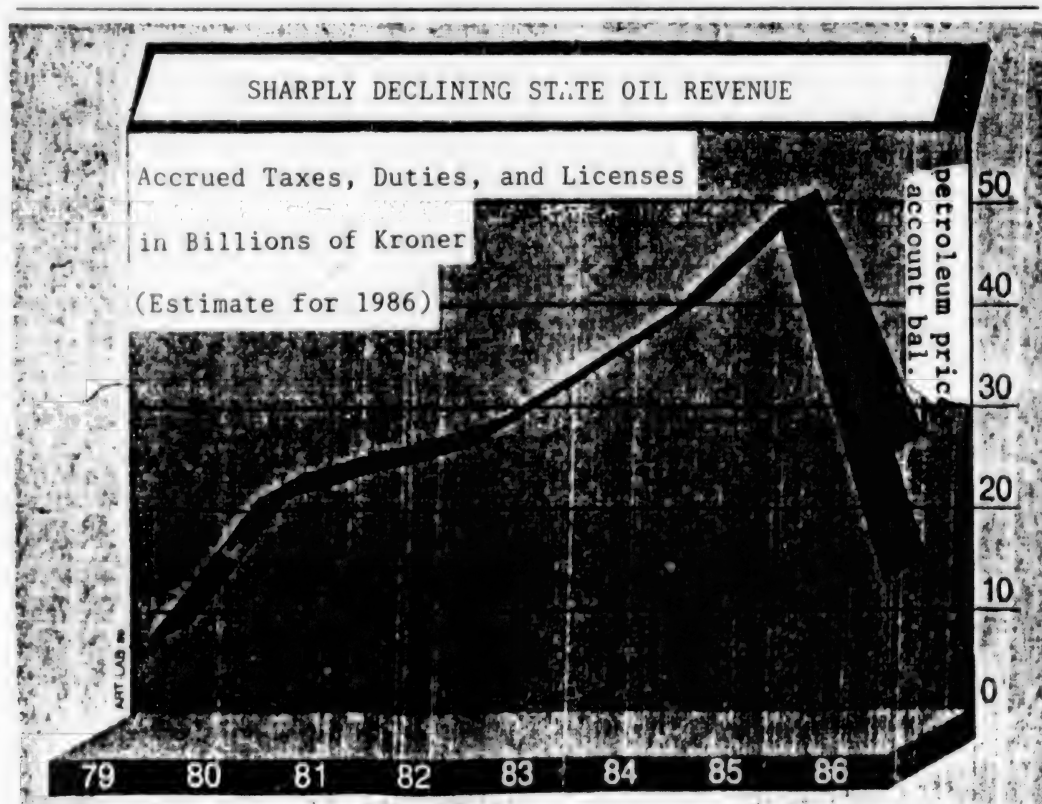
"The teamwork situation in the government collegium is excellent. But I must be allowed to say that the criticism--from some quarters--of the government's joint regional development policy is highly unfair, and it shouldn't have come from a government party. More effort has been put into regional development measures than ever before. But we also encounter new centralizing forces. The declining number of births and the positive changes in women's demands for job opportunities create new challenges for regional development policy. It is ridiculous to blame cabinet minister Arne Rettedahl for these changes in the situation," observes Willoch.

Elementary Principle

For him, moreover, it is one of the elementary principles of economics that too much government spending creates a demand-pull which is largely directed toward goods and services from the central regions and produces pressure there.

"When we talked about using oil money, there were many who were concerned about the centralizing effect. But this point applies to the consumption of too much money in a broad sense."

AFTENPOSTEN: "The Center Party, for its part, believes that this centralizing effect can be counteracted by calling a halt to new government appointments and activity in the Oslo area, and by making better use of the Town and Country Planning Act against private initiative."



"I don't think that a no to an initiative in one place results in the emergence of the same initiative in another place. That isn't the way people react. The government has therefore concentrated on positive measures in those regions where economic conditions are poorest," says the prime minister.

Not Easy

Without addressing the issue specifically, he emphasizes that every time the spokesman for a government party attacks the government, it weakens the latter's position and strengthens the Labor Party. It is not easy to get people to understand that the criticism which comes from our own ranks is unjustified, he says cautiously.

"We will not refuse to talk with anyone about measures to reduce pressure on the economy. Let there be no doubt about our wish to cooperate, even with the Labor Party," he says in response to the desire expressed by Center Party parliamentary leader Johan Buttedahl for the search to a solution in cooperation with the leading opposition party.

Elements of Risk

"But we must be aware of the elements of risk," he adds. "We cannot go along with any letup in the modest retrenchment which has been proposed." According to other sources, he long ago reminded his government partners that the coalition wanted to cooperate with the Labor Party last autumn but that did not prevent the opposition from doing its utmost to push expenditures sky-high and weaken the budget balance.

At the same time, he issues a strong warning against the Labor Party's proposal to obtain taxes from the stock market. "That would be tantamount," believes the prime minister, "to the State's seizure of part of the capital the commercial and industrial sphere needs more than ever before. Besides, rat poison for the stock market is one of the expressions used when people in government circles propose a sales tax on stocks."

Critical

With respect to the government's Easter egg, he has obviously come to the conclusion that there is hope a majority will back the proposed measures. There is no doubt that the drop in oil revenue is so tremendous that even the large reserves which were built up after 1981 will quickly vanish. "Even if the price of oil rose again to \$20 a barrel, the situation would be critical. We continue to have economic freedom of action, but we must use it to adapt to a new reality and to assure new progress," points out the prime minister in his Easter greeting to the Norwegian people.

Consequences for Economy Examined

Oslo AFTENPOSTEN in Norwegian 2 Apr 86 p 31

[Article by Cecilie Norland: "Norway Must Tighten Its Belt: Oil Revenue Will Be Cut in Half"; first paragraph is boldfaced lead-in in original]

[Text] The decline in the price of oil has major consequences for the Norwegian economy. The Finance Ministry estimates that an oil price of 65 kroner per barrel, which is somewhat lower than today's price of roughly 70 kroner per barrel, will reduce Norway's revenue from oil and gas exports to 44 billion kroner in 1986 and 30 billion in 1987. The revenue was 88 billion kroner in 1985.

With an oil price of 65 kroner per barrel, Norway's balance of trade with foreign countries will show a deficit of 35 billion in 1986 and a deficit of more than 50 billion in 1987. This is a dramatic decline from last year's surplus of 25 billion. Taxes paid from oil activity will sink to 32 billion this year and just 7 billion in 1987.

"Norway has not yet begun to adapt to a lower price of oil. The economic re-trenchment measures in March were only adjustments which would have come irrespective and independent of the price of oil," says Hermod Skanland, director of the Central Bank. He feels we ought to take the lower oil price into account as soon as possible, but he believes there will be no significant measures taken before the 1987 national budget. The measures under consideration are changes in the tax system and capital-transfer arrangements, and the probability of a decline in real income is very great.

The Bank of Norway has previously pointed out that the price of oil should be 180 kroner per barrel if Norway is to avoid a trade deficit in 1986. A minority expects the price of oil to remain as low as \$10 or approximately 70 kroner per barrel for a long time, but even if the price of a barrel of oil should rise again to \$20 or approximately 150 kroner, Norway will still be faced with considerable problems. A continued decline or a stabilization at a low price means that the deficit problems in the national budget and the trade balance will be further compounded.

There is little doubt that measures will be taken to adjust the Norwegian economy to the consequences of a lower oil price. The government has warned of changes in the tax system and in the financing of social insurance for a long time. Future measures will be geared toward lessening domestic demand and improving competitive ability. There is scarcely any danger for increased unemployment in the short run, but it is not unlikely that we must adjust ourselves to a lower real income. With today's price of oil, Norway's real income will sink between 6 and 7.5 percent as a whole, and this will of necessity be important to the individual.

Oil Companies Cut Expenditures

Oslo AFTENPOSTEN in Norwegian 5 Apr 86 p 3

[Article by Flemming Dahl: "Oil Price Drop Affects Many: Oil Companies Must Economize"; first paragraph is boldfaced lead-in in original]

[Text] "Excuse me, sir, but are we still talking about four wheels?" The question was supposed to have been posed--in a jocular tone, to be sure--when an employee at the Stavanger division of an American oil company was told it was time to switch over to more moderately priced company cars.

A cutback in expenditures for cars is among the many probable results of the drop in oil prices. The drop is accompanied by a dramatic decrease in the revenue of oil companies, and the latter have reacted by honing the axe.

"It's possible that Volvos will be replaced by smaller Fords," says an official spokesman for the named oil company to AFTENPOSTEN.

Expenditures for cars count in the total picture but nevertheless represent just a small sum in the oil context. The big savings--and here it is a matter of billions of kroner in the course of a few months--are expected to occur by reducing the search for new oil fields, by postponing maintenance work at oil installations, and perhaps by putting off the planned expansion of oil fields.

But people in the oil business emphasize that lesser items of expenditure are also the object of critical evaluation. They talk about reduced amounts of money for sponsoring cultural and athletic events, about cuts in travel budgets, and about fewer advertisements of the type which tell newspaper readers how wonderful the oil companies are.

There may be fewer help-wanted ads as well. Several companies have called a more or less consistent halt to hiring--except for persons who must be hired so that important projects are not harmed.

One of the Norwegian companies, Saga Petroleum, has already decided to save a few hundred thousand kroner by canceling its plans for a booth at the international oil fair in Stavanger in August. "If we can't economize on a small scale, we won't manage to economize on a large scale either," says Vibjorn Madsen, a press spokesman for Saga.

An indication of the price drop is the fact that Gunnar Braten, information officer for American Mobil, will have no secretary for a couple of weeks. This is tied in with the fact that his previous secretary quit before her successor was ready to take over, but Braten says that in normal times he would not have hesitated to get some temporary help from an employment agency.

20-30 Percent

After the price of oil began to drop, a series of multinational companies quickly issued statements about large reductions--from 20 to 30 percent--in their global

investment budgets. To what degree this will affect the subsidiaries in Norway is not clear to all concerned, but many expect to have a better idea in a few weeks.

The American subsidiary of American Esso was one of the very first to tighten its belt after the price drop: it decided to postpone indefinitely the construction of its 250-million-kroner headquarters in Oslo.

The Norwegian companies--led by Statoil, Norsk Hydro, and Saga Petroleum--say they need a few weeks before they can state specifically how much they will cut their budgets. But there is hardly any doubt that activity on the Norwegian continental shelf will be affected by substantial cuts.

There are also the ripple effects of reduced oil activity to contend with. Shipping companies expect fewer orders for drilling rigs and other service vessels--and less money for the orders they do get. Mooring buoys can be used frequently, and crews may be laid off.

Deterioration

Even before the price drop, the National Association of Engineering Workshops (MVL) saw that the planned expansion of oil and gas fields on Norway's continental shelf could not provide enough work for its member shipyards in the years after 1987, and the MVL now fears further deterioration.

Other businesses--whether they provide the oil platforms with tables and chairs, communications devices, or rescue equipment--also fear negative consequences of the price drop. "We are very concerned," says Lars Thomas Dyrhaug of the Federation of Norwegian Industries.

Airlines and hotels are among those who may notice reductions in the travel allowances of people in the oil business. Per Lofstedt, administrative director of the Hotell Atlantic, reports that a planned expansion of 160 rooms may be shelved in anticipation of the further trend in oil prices.

Despite the savings spree, it is difficult to find signs that the oil companies are approaching authentic tightfistedness. As an employee with a lot of paperwork at a comparatively large Norwegian company says: "We haven't been told we have to use both sides of the scribbling paper."

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POLITICAL

SWEDEN

SOVIET VIEWS ON SWEDISH NEUTRALITY ANALYZED

Bildt on 'Denisov' Article

[Op Ed Article by Carl Bildt: "Should Neutrality Be Expanded?"]

[Text] Our insight into the inner thought processes of Soviet decision-makers is limited. But Soviet policy is hardly the mystery it sometimes appears to be.

Their logic is not the same as ours, but this does not mean that their policies are illogical, incomprehensible or irrational.

One way of finding out what the Soviets intend to do is to listen to what they have to say about it themselves.

In the December 1985 issue of the periodical of the important Imemo Institute, MEZHDUNARODNAYA ZHIZN there was a lengthy analysis of Soviet-Swedish relations.

The author was listed as a Mr Denisov. But there is reason to believe that this Mr Denisov is regarded as the Swedish equivalent of the man known as Mr Kommisarov in Finland. These signatures conceal authoritative spokesmen on Soviet policy.

Thus their writings should be read with some care.

Trade relations are given great importance, but not just any kind of trade relations.

It is striking how much emphasis Denisov gives to trade with Sweden when it involves breaking various western blockades and embargoes. This mainly occurs through historic allusions to Sweden's role just after the 1917 revolution and the "Russian credit" after World War II, but there are also concrete references to the 1975 agreement on the delivery of an "airplane control equipment for civilian aircraft." It was the KGB's abuse of this agreement and some very irresponsible Swedish citizens that caused great damage to Sweden.

While Denisov depicts relations up to the early 1980's as harmonious, his description of the years after that is less rosy. For then "influential forces were activated and began looking for and exaggerating nonexistent problems with the aim of putting the peace-loving policy of the Soviet Union in a bad light."

That was when the stepped-up Soviet submarine operations against Sweden began producing political and military reactions on our part.

This is primarily a question of "conservative-bourgeois" forces, but Denisov does not conceal a certain disenchantment with Social Democrats as well. He writes that the (Social Democratic) government did not follow up its various declarations on relations with the East with sufficient consistency and resolution.

But now Denisov feels that conditions are better. After the victory of "left-wing forces" in 1985 a "return to the broad and fruitful course of neighborly relations" is again possible--assuming, of course, that there is no more talk of submarine violations.

And in addition to trade, security and foreign policy issues are central. The Soviet Union's view of Sweden's neutrality policy has been a topic for debate in recent years. Against this background Denisov's view is interesting.

He writes that "in a situation where three out of five countries in northern Europe belong to the Atlantic alliance, Sweden's realistic and well-tested foreign policy course is one of the factors" contributing to stability in the region.

It is worth noting that it is only the foreign policy aspect of our neutrality line that is mentioned and that the assessment of this aspect is conditional. If Denmark and Norway left NATO or if their membership was watered down a bit more, it seems likely that adjustment demands on Sweden would be stepped up.

Denisov's article does not contain any open criticism of the defense policy aspect of our neutrality line--that would be quite unsuitable in a document aimed at improving the atmosphere before a visit from the prime minister. But in spite of this the policy is clearly visible behind his words.

In recent years Soviet lectures on Sweden's conduct have become increasingly common and increasingly obvious. In 1982 Georgiy Arbatov wanted an "activation" of our neutrality policy along the lines of the Finnish model. In 1984 Lev Voronkov published his pointers.

Denisov continues along the same lines and is now calling for a "broadening" of Sweden's neutrality policy via "further strengthening the fruitful co-operations between the Soviet Union and Sweden on international issues."

Words of praise for Sweden's arms control policies occur with annoying frequency, along with reminders that most of the initiatives Sweden has taken in recent years "point in the same direction as the efforts made by the Soviet Union and the other socialist countries."

But what is needed now in the foreign policy area is for Sweden to "further enhance its active and constructive attitude." And Swedish-Soviet relations must also be developed further under the influence of "political realism, taking long-range factors and mutual interests into account."

Thus Denisov's article is generally in line with various Soviet statements in recent years. Sweden must tone down defense and activate the aspects of its foreign policy that agree with the views of the Soviet Union--that is how our neutrality policy can be "broadened."

And it is part of the picture that Sweden should base its relations with the Soviet Union on "political realism"--an expression that is not very attractive when it is used by a superpower addressing a small neighboring country.

Premier Ryzhkov and Secretary General Gorbachev will probably not talk like this during their sessions with Ingvar Carlsson. They will express respect for Sweden's neutrality--without asking for it to be "broadened."

But these are the ideas that guide Soviet policy toward Sweden. And it is against this background that every single issue is weighed and analyzed.

A few years ago the Swedish debate was characterized by idyllic and unrealistic ideas about the Soviet Union and its policies. There was reason to talk of "flaws in the system." Today things are somewhat better.

More people realize that the Soviet Union has definite security interests in the Nordic region, that they have dominated Soviet policy, and that this calls for corresponding behavior on our part. Many people have noted that the outward Soviet expressions of respect for Sweden's policy conceal efforts to gradually shift it as far as possible in a direction more favorable to the Soviet Union.

Perhaps this will improve the chances for a strict, stable and clear-sighted policy toward the Soviet Union. Sweden has not had anything like this for a good many years.

We must protect our neutrality doctrine--and be on guard against all attempts to "broaden" it by toning down one of its components and playing up another. This involves a risk that it will gradually be eroded and lose its meaning.

PRAVDA Lauds Neutrality Policy

Stockholm DAGENS NYHETER in Swedish 19 Apr 86 p 8

[Commentary by DAGENS NYHETER correspondent Harald Hamrin]

[Text] Moscow--In the view of the Soviet Union Sweden's neutrality policy represents a "vital positive contribution" to the preservation of peace in Europe, according to a statement published in the party organ, PRAVDA, after Prime Minister Ingvar Carlsson's departure from Moscow following his 4-day visit here.

In the official Soviet statement--which is the Soviet substitute for the final joint communique Sweden traditionally refuses to issue--a detailed account is given of the Swedish-Soviet talks earlier this week. The statement places special emphasis on the international aspects of the talks, while paying very little attention to bilateral issues.

Naturally differences between the two sides were most apparent with regard to these purely Swedish-Soviet problems.

When it comes to such things as Sweden's demand to have its borders respected, negotiations on setting the economic zones in the Baltic Sea, so-called humanitarian issues (which in practice involve a number of unresolved reunion cases) and the Wallenberg case, Prime Minister Carlsson presented well-known Swedish standpoints forcefully, as already reported in DAGENS NYHETER.

That may be one reason why the Soviet statement says that the negotiations were conducted "in a businesslike atmosphere." Thus the talks were not described as "friendly" or "trusting"--but on the other hand they were not designated as "frank," a common diplomatic code word used to indicate that harsh words were exchanged.

After stating that both sides expressed the opinion that "reinforcing peace and security" in Europe in general has "positive significance" for the development of peaceful relations in northern Europe, the statement referred to Sweden's neutrality policy.

"The Soviet Union notes that the neutrality policy pursued by Sweden represents an important positive contribution to the strengthening of peace in Europe," according to the statement.

The precise wording on this point is often assigned great importance in this context. While in the past Sweden's neutrality policy was generally regarded as a "contribution to" or a "factor in" peaceful developments in northern Europe, this time the Soviets decided to call it an "important positive contribution."

It should also be noted that in referring to the Swedish prime minister's talk with Gorbachev on Tuesday the Soviet news agency TASS reported that the

Soviet party leader expressed his own and the Soviet Union's "unconditional" respect for Sweden's "traditional neutrality policy." Thus here too a stronger adjective was used than is normally the case.

Vain Search

On the other hand one can search in vain for a Soviet declaration of respect not only for Sweden's neutrality policy but also for "Sweden's territorial integrity"--a phrase used on several occasions during Prime Minister Carlsson's visit. The Soviets left this to press spokesman Vladimir Lomeiko to say at a press conference on Wednesday.

Another interesting formulation occurred in the only statement to express the mutual view that "peace and stability in northern Europe and in the Baltic region" are best served by expanded cooperation and not through an "escalation of military activities."

If the Soviets were thinking of such things as the reinforcement of Sweden's submarine defenses here, it was not mentioned in Friday's statement. But it may not be wholly unimportant that in the TASS English-language version of the speech the prime minister made at dinner Tuesday evening, only one thing was missing--namely the statement that Sweden has "taken steps to strengthen the effectiveness of our neutrality defenses."

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MILITARY

EUROPEAN AFFAIRS

NORWEGIAN SENIOR OFFICERS: SWEDISH DEFENSES VITAL FOR NORWAY

Oslo AFTENPOSTEN in Norwegian 17 Apr 86 p 10

[Article by Olav Trygge Storvik]

[Text] A clear condition of Norwegian defense and security policy is that Sweden maintains a strong defense system. The limited defense resources in Norway are allocated with this in mind and if there is a drastic reduction in Swedish defenses, Norway will be in trouble.

The chief of staff of the Defense High Command, Lieutenant General Alf Granviken, used these words in emphasizing the importance of the Swedish defense system from a Norwegian point of view when the study committee of the Defense College Society held a seminar to examine Scandinavian security problems. The Swedish defense staff chief, Vice Admiral Bror Stefenson, was invited to present the Swedish military view of the strategic situation. Central people in the Swedish security policy debate were also asked to attend the conference.

In recent years there has been a lively security policy debate in Sweden against the background of the large number of submarine violations, but also as a preliminary to a political confrontation on the Swedish defense system after a consistent and onesided arms reduction phase over the last 15 years. This development has led to strong numerical reductions in the Swedish Armed Forces in all three branches of the service. Swedish military professionals have long criticized the trend and the debate intensified not long ago when statements from high-ranking officers in the army and navy indicated eroding military confidence in the ability of the armed forces to perform their assigned duties unless strenuous efforts are made to correct deficiencies.

Swedish Air Force

Norwegians have also expressed concern about certain elements in this development and they have pointed in particular to the importance of a strong Swedish air defense system as a stabilizing factor in the Nordic region. Lt Gen Granviken also stressed the importance of the Swedish Air Force, but assured his audience that Norway does not feel that invaders could use Swedish air space without suffering considerable losses. The Swedish Air Force will greatly improve when the JAS 39-Gripen combat plane project

becomes operational sometime in the 1990's, according to Granviken. Although it was not stated directly, it can be assumed that this view is based on the condition that the airplane is equipped with all the weapons systems that are now planned for it.

Necessary Dialogue

Grethe Vaerno, who has been a driving force in the study committee's work on the conference, pointed out that a Nordic dialogue on security matters is necessary, even though the different countries have chosen different solutions for dealing with their security policy problems. One cannot ignore the fact that there is a close connection between the Nordic countries when it comes to military aspects. This is due to proximity and to the fact that the countries lie on the same axis from the heart of the Soviet Union toward the West, between the Soviet Union and the open sea, she said.

Nuclear-Free Zone

"This problem becomes even greater when one picks out one topic--namely the nuclear-free zone--and elevates it to the point where it becomes the only theme suitable for joint discussions. This helps create distorted ideas about Nordic security policy problems and gives the impression that the zone issue can be placed above a country's general security policy course. The stronger a zone debate is carried out, the greater the need to discuss Nordic/Scandinavian policy much more openly and clearly than has been the case," said Grethe Vaerno. She pointed to the importance of people in the Nordic region having a reasonable expectation that no land's territory will be used as a platform for an attack against another Nordic land. Here the debate on defense appropriations and the expansion of the military infrastructure enters in with full force.

Swedish Strategy

Vice Admiral Bror Stefenson also underlined the importance of a strong Swedish defense for its own sake as well as for the importance it has in a Nordic context. Stefenson stressed two geographic-military factors that Sweden must pay a great deal of attention to in its security policy and that people in Norway are not fully aware of.

The main thing is the connection with the central European strategic situation. Sweden is a country that represents a link between the Nordic region and central Europe. Therefore Sweden cannot ignore the situation there any more than it can free itself from the security policy situation in northern Europe, he said.

The other vital factor for Sweden is the strategic importance of the Baltic Sea as a body of water dividing East and West. Sweden is the biggest coastal country in the area and lays great emphasis on the fact that the Baltic Sea is free and open to everyone. But it is somewhat different for the Soviet Union. The Baltic Sea has both defensive and offensive importance as far

as Moscow is concerned. The greater and more advanced control the Soviet Union can achieve over the Baltic Sea, the more secure the situation will appear in Moscow, he said.

Historical Parallel

From a Norwegian point of view it seems surprising that a navy officer could look so far south in his description of the strategic situation. The importance of the stepped-up and increasing Soviet naval activity in the Norwegian Sea for the entire Scandinavian region was strongly emphasized by the Norwegians throughout the conference. But here there can be a question of differences in nuances in one's view of the military threat. Bror Stefensen also showed a sense for historical parallels and reminded his audience of the Soviet military need for control over the coasts around the Gulf of Finland before 1945. That was before the Soviet Union became one of the leading naval powers. Today it is quite possible that in Moscow's strategic view the entire Scandinavian region has the same importance as the land areas around the Gulf of Finland had before 1945.

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MILITARY

EUROPEAN AFFAIRS

NORWEGIAN PUBLICATION ADDRESSES MILITARY BALANCE IN NORTH

Oslo AFTENPOSTEN in Norwegian 29 Apr 86 p 4

[Article by Olav Trygge Storvik: "The Norwegian Version of 'The Military Balance': Twelve Major Bases on Kola"; first paragraph is AFTENPOSTEN introduction]

[Text] The Soviet Union has 12 major bases on the Kola Peninsula according to a chart in the Norwegian version of "The Military Balance 85/86" which is now being published by The Norwegian Atlantic Committee.

This is the first time that a chart has been published showing the Soviet naval bases on Kola, and the information is based on Western intelligence material. In addition to the 12 naval bases on Kola, the chart also shows that the Northern Fleet has four bases in the White Sea and one base on Novaya Zemlya. The Norwegian version of "The Military Balance" (which is based on the international "Military Balance" published by the Institute for International Strategic Studies in London), could this year for the first time show where the major air bases are on the Kola Peninsula. This same information is included in this year's edition.

According to the chart, one of the Soviet naval bases on the Kola coast is rather remote from the others. That is the base "Gremikha" at the entrance to the White Sea. According to unconfirmed information this is one of the bases utilized by the newest type of strategic submarines of the Typhoon class. There are four Typhoon class submarines in the Northern Fleet, and the ship is especially constructed to be able to operate under the ice in the Barents Sea and Arctic Ocean, and from any point at sea outside its base it can reach the American continent with its long range missiles.

Nightmare

Otherwise 10 of the 12 large harbors and bases on Kola lie within a very limited area by the entrance to Murmansk. In this fjord the bases are actually so close together that it must seem like a nightmare for the responsible admiral.

"The Military Balance" also releases new information about elite forces such as the Spetznaz and Marine Infantry which belong to the Northern Fleet. It is

calculated that the existing Marine Infantry brigade at Petsjenga consists of four infantry battalions and a tank battalion. In addition there are support and supply units. It is a total of about 3,000 soldiers with Norway as its most important target. About a week ago this elite brigade practiced a landing exercise a few kilometers from the Norwegian border in Finnmark.

Brigade Kept Hidden

For the first time it also says in "The Military Balance" that there is one more brigade of these elite forces as a mobilization force on Kola, but which they try to keep hidden in peacetime. Major General Martin Vadset, who is commander of the Ground Forces North Norway, presented the same possibility in a lecture at the Oslo Military Association recently. According to the general, nobody should be surprised if at the outbreak of war it turns out that there are two Marine Infantry brigades on Kola, and not one which has so far been officially assumed in Norway. He reminded that the Russians have a tradition of keeping two such units in that area.

The Northern Fleet also has its own Spetsnaz brigade of 600-800 men, in addition to the Spetsnaz brigade attached to the military district which is stationed south of Leningrad.

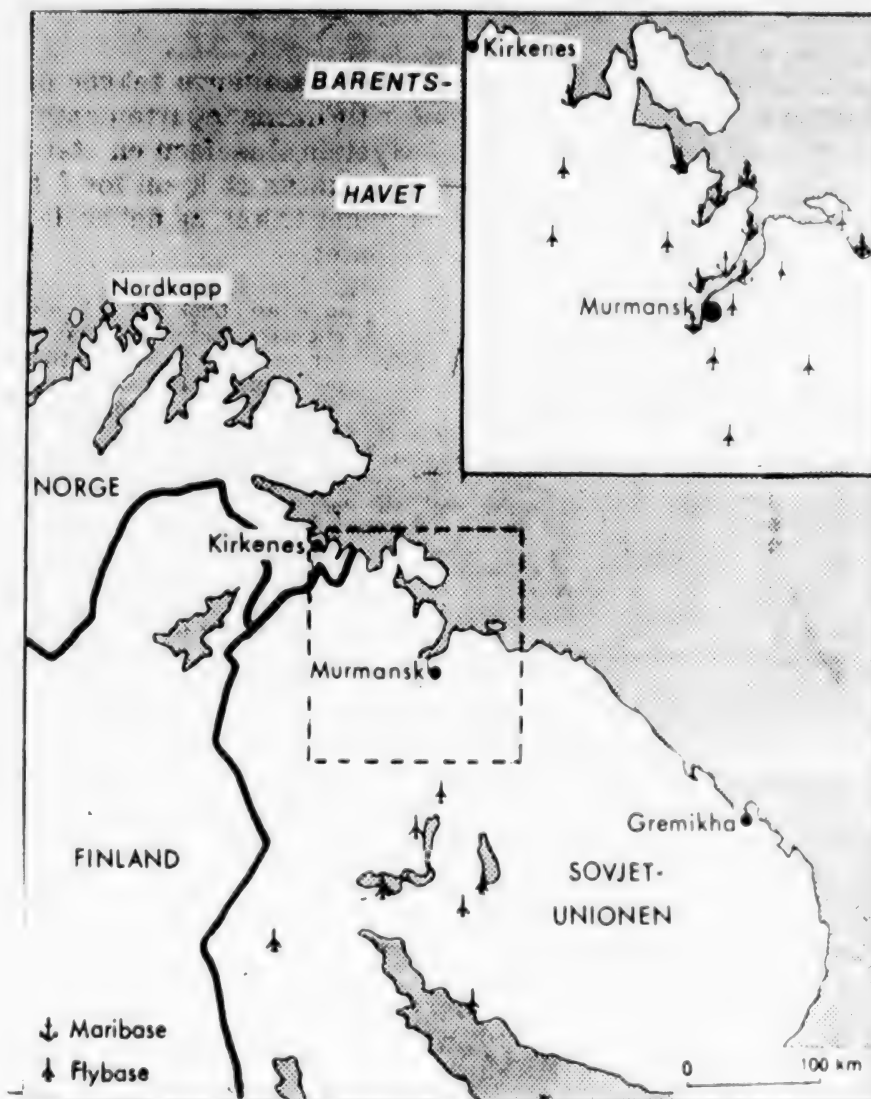
Offensive Capability

"The Military Balance" has for the first time an organized review of types and numbers of aircraft and helicopters which are assigned to the Northern Fleet, air defense forces and the Army within the military district. It says that the aircraft operate essentially from airfields at Severomorsk, Olenegorsk, Murmansk NE, Malyavr, Luostari, Kipelovo, Belushya and Arkangelsk.

Through an increase of helicopter inventory, an increase which is continuing, the offensive capability of the Soviet forces is continuing to improve, it says. The number of transport helicopters in the military district now makes it possible to carry out large scale tactical operations in difficult terrain. It is calculated that it is possible to double the number of aircraft at airfields on Kola with the intention of operations against north Norway and the Norwegian Sea, and that such reinforcement could be carried out on very short notice or with no notice.

Sweden and Finland

This year's edition of "The Military Balance" also has a more detailed survey of Swedish and Finnish forces than previously. For Sweden there are some negative adjustments of numbers, especially for the Army. As for Finland, it is reported that refresher training now has a higher priority, and that 42,500 men were called up for maneuvers last year. There is also emphasis on the expansion of the radar surveillance system, and that air defense is strengthened with more aircraft. This development took place in Finland just after a Soviet cruise missile violated Norwegian and Finnish airspace at the start of the new year.



Caption: In the area within the dotted line are the 12 major naval bases which the Soviet Union now has on the Kola Peninsula. In the corner is an enlargement of the area.

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MILITARY

AUSTRIA

LANDWEHR EXERCISE DEMONSTRATES NON-MOBILE BLOCKING TACTICS

Vienna DER SOLDAT in German 9 Apr 86 p 1

[Article: "Blocking Exercise in the Tulln Countryside"]

[Text] Since you cannot simply blow up a bridge over the Danube or a power station in the event of an emergency, if only on account of the economic damage, then you simply have to think of something else to make these crossings impassable.

To practice these ideas on the spot was the task of Blocking Exercise '86, which was carried out from 17 to 21 March in the Tulln countryside. Involved were 2,000 soldiers of Landwehr Regiment 33, which is under the command of Colonel Stainer and is stationed in Mautern on the Danube.

For the most part this Landwehr regiment consists of reservists from Lower Austria, mainly from the Tulln countryside, among whom all professions from worker to student, from civil servant to bank president are represented. Correspondingly great was their pleasure in seeing acquaintances again on the Monday they reported for duty, because experiences of the past 2 years were exchanged with great interest. By the end of the exercise it turned out that one of its goals, that of forming a community of these reservists from widely scattered areas of civilian life, had certainly been achieved. On the other hand, there was also the goal of turning the civilians reporting for duty into disciplined soldiers within a few hours. This goal as well was quickly achieved, and thus the exercise was transferred to the practice zone of Wagram-Perschling-Langmannersdorf-Traismauer-Traisen.

As a unit of the non-mobile militia, Landwehr Regiment 33 has the task of blocking the lines of troop passage between the Dunkelstein Forest in the east and the perimeter of the Vienna Woods and of guaranteeing an effective securing of the Altenwoerth and Greifenstein power stations.

Put to the test in particular was the level of training of the soldiers of the regimental command of Staff Company 33, of Light Infantry Battalion 332, of the corps of engineers for blockading rivers in the Tulln countryside and of the Altenwoerth security company. To assure its defensive assignment,

Landwehr Regiment 33 also has at its disposal a supply company, Light Infantry Battalions 331 and 334 and the Greifenstein security company, which was, however, not called up for this exercise.

The purpose of the exercise was different for the various units. The Altenwoerth security company stood out the most. In the event of a crisis it supports the executive branch so that the latter can realize a complete defense of all endangered objects. It is the first time this cooperation has been prepared for to such an extent. The security company of the Tulln district captaincy was placed under the Interior Ministry as a support force and made familiar by officials of the constabulary with its assignments in the event of a crisis, namely the civilian securing of the power stations. In this regard, for example, the Federal Army and the constabulary have extremely different weapons use and detention regulations in which our soldiers must be instructed in theory and practice.

The light infantry battalion mainly practiced the occupation and consolidation of "its" blocking positions to make the soldiers familiar with their zone of defense. It had to repulse attacks by combat helicopters and fighter bombers, and it had to prevent mechanized forces from crossing. The corps of engineers, whose assignment was mainly to make the terrain impassible, had to prove its ingenuity in explosives, blocking and mine-laying duties, but it also had to construct light makeshift footbridges in order to be able to withdraw its own advance forces in time and with dry feet.

Unfortunately this exercise was only partly organized as a small maneuver; it was interrupted again and again by training phases which considerably disturbed its tactical coherence. One of these training phases, which were important nevertheless, was the sharpshooting on the open terrain near Watzelsdorf, which obviated a shift to a training area but required extensive security measures. Common to all units was practice in living in the field under tactical conditions, whereby supplying with warm meals and all goods took place exclusively in the hours of the evening and the night. A further point was the NBC defense training, whereby the Lower Austrian military command erected a decontamination station in which not only detoxification occurred but also the washing off in the warm shower of a lot of dirt from this week.

On the training program were, in addition, medical service training, first aid for oneself and comrades (which, unfortunately, had to be used in practice right away by two soldiers, see Picture Chronicle) and the schooling of cadre personnel at all levels.

As has already been tried and proved repeatedly, an information center was set up at this exercise also, this time in an inn in Traismauer, to explain to the population and the schools of the vicinity the progress of the exercise and the task of our Army in this zone. In Zwentendorf a radio broadcast was also organized which was transmitted live on Austrian Regional Radio and in which the soldiers in training as well as the civilian population took

an active part. Wreath layings in Zwentendorf and Sitzenberg respectively constituted the conclusion of the supporting program. Through these activities yet another step was taken towards the integration of Army and population.

These exercises are, as Switzerland has been demonstrating for a long time, an absolute necessity for keeping the learning and skills of militia soldiers up-to-date and for having their inclusion in squads, platoons and companies become a matter of course. The soldiers have shown that they are ready to actively make their contribution to the defense of our neutral Austria in spite of adverse, extremely cold weather conditions, especially at night, and many absurdities in the process.

Two thousand hedgehog positions have again withdrawn their spikes, but are ready at any time to let a possible aggressor feel them.

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MILITARY

BELGIUM

RIGOROUS TRAINING, HIGH MOTIVATION MARK PARACOMMANDOS

Basel SCHWEIZER SOLDAT in German Jan 86 pp 13-16

[Article by Hartmut Schauer: "Paracommandos--The Belgian Paratroops"; first paragraph is SCHWEIZER SOLDAT introduction]

[Text] The deployment principles and techniques for airborne troops, which are only a few decades old, have been altered considerably since the time of mass jumps, accompanied by heavy losses and daring cargo glider employment, and have, thus, adapted to military and technological changes. Although in many armed forces today military paradrops are the exception rather than the rule, a large portion of the airborne troops continue to be trained as paratroopers. The numerically small Belgian paratroop unit shows a high degree of training and is highly motivated, disciplined, and self-assured. Although since Belgium gave independence to its former African colonies and since that time has no direct worldwide alliance obligations, the paratroops can, if needed, be employed very quickly at any time over great distances. The need for such capacities was demonstrated when some years ago Belgian paratroops participated in a rescue operation in Zaire in central Africa. Today, the "paracommandos" serve particularly to provide rapid reinforcement for the I (BE) Corps in crisis situations and in the event of defense.

Development

The Belgian airborne troops were activated during World War II in British "exile." In 1942, the "10th International Command" became the forerunner organization. There was combat action, mostly within the framework of the British 8th Army in Yugoslavia and the Netherlands. In 1952, the paracommando regiment was established and all Belgian airborne/paratroops and commandos were subordinated to it.

During the Korean conflict, the Belgian airborne elements constituted a significant portion of the key personnel of the UN Command contingent deployed in the area, although the regiment itself was not transferred to South Korea.

In 1959, unrest broke out in former Leopoldville, which is Kinshasa today, among the black populace. The 2d Commando Battalion was transferred on short notice to reestablish order in the former Belgian colony.

In the following years, the Belgian airborne troops participated in numerous military operations. A high point was the 1978 landing of two battalions of Belgian paratroopers supported by the antitank company of the regiment in the area of Kolwezi, together with French paratroopers.

The Paracommando Regiment

The staff with supply services at Everberg has jurisdiction over the following components:

1. the airborne battalion at Diest,
2. the commando battalion at Flawine,
3. the airborne battalion at Thielen,
4. the airborne artillery battery (105-mm howitzers),
5. a reconnaissance company (light scout vehicles),
6. an airborne antitank company (at Milan).

The airborne battalions are composed of the headquarters and supply companies with heavy mortars and communications platoon, as well as paratroop companies. The company only has two combat platoons, but is supported by an antitank platoon with two "Milan" groups.

The training centers at Marche-les-Dames and Schaffen also belong to the regiment. There is no actual difference between the airborne units and the commando units. The original unit designations are used for reasons of tradition; the "paras" wear red berets--the "commandos" wear green berets.

Mission and Deployment Principles

According to the "Livre blanc de la Defense Nationale"--the Belgian white book covering national defense--the regiment is assigned to the territorial command and creates a discretionary force within the "Forces de l'Interieur." The airborne troops are the nucleus of the army reserve; it is at full strength with respect to personnel and materiel. Its military mission encompasses the following:

- a. securing of state territory in case of war-type conflicts,
- b. participation in the NATO/AMF group,
- c. reinforcement of I Corps in the FRG under certain conditions.

The Belgian share of the so-called NATO Fire Brigade, which is supposed to defend the endangered north and south flanks of NATO in case of war, consists of one airborne battalion and the airborne artillery battery. And the troops of the units have good opportunities for being employed abroad during exercises; Denmark, Italy, Greece, and Turkey are the countries involved.

The "pure" paratroop regiment is trained for combat under difficult terrain conditions; it also has a considerable antitank capability. Employment as light infantry is, for example, quite feasible in such regions as the Ardenne or in the Eifel. As airborne troops, the considerable mobility stands in the foreground which, in case of need, would facilitate even strategic deployment over great distances.

A squadron of the air force equipped with C-130 Hercules aircraft provides the necessary transport, although the transport aircraft are also planned for use in other areas, for instance, for logistics purposes. There are no medium transport helicopters, and thus "air-mobile" operations are not possible. Nevertheless, the paratroops are trained for such airborne operations. A 2-week training cycle takes care of this phase. The helicopters are provided by the U.S. Army or by the Bundeswehr and represent a gladly accepted training aid within the framework of NATO interoperability.

It is not planned to use the regiment for long-distance reconnaissance missions. For this purpose, the I Belgian Corps in the FRG has an independent long-distance reconnaissance company. Voluminous commando employment is also not planned; such operations are limited moreover to tactical reconnaissance and shock troop employment with only slight penetration into depths. Similarly, special employment in the enemy depths such as sabotage or special actions are not planned. Also, there is no plan to use the units as antiterror troops or to combat guerrillas; these measures are within the jurisdiction of the mission assigned to the state gendarmerie.

Personnel and Training

The paracommando regiment is staffed by draftees, professional soldiers, and long-term servicemen on a volunteer basis. Soldiers and noncommissioned officers remain with "their" regiment for the most part for the entire duration of their service time. This has a purely practical cause, resulting from the specialized training on the one hand (there is only one regiment) and efforts to assign soldiers to a type of "military home" on the other hand.

Draftees serve 15 months, but draw full service benefits for the number of months which exceed the legal military service period. Long-term servicemen volunteer for a period of 2 to 5 years and can, should the need arise, be obligated for additional periods and later be accepted as career soldiers.

Officers remain with the regiment for the most part through the rank of captain, but since there is only a limited number of staff officer billets available, one finds many of the older paratroopers serving with general staffs and offices. Interested and qualified recruits have reserve officer and noncommissioned officer career tracks open to them. Promotions are the same as in the general units. About one-fifth of the personnel are recruits, the rest are long-service personnel and career soldiers. Efforts to convert the units completely to being staffed by long-service personnel and career soldiers failed because of the expense. It was precisely the Belgian Armed Forces which in recent times have become victims of massive savings which had appropriate effects on the training status and employment readiness of Belgian units.

The high performance standards of the Belgian paratroops, which is generally recognized throughout NATO, is surely attributable also to the great care being exercised in selecting personnel and the thoroughness of the training.

Efforts are made to find ways which serve the physical as well as the moral development of young soldiers in small well-modulated steps. Feelings of cohesion and pride in their own units are strong; relationships between individual career groups are strong with respect to comradeship and respect. Any trend toward an elitist arrogance, toward hero worship and "supersoldiers" is avoided.

The commitment of the training officers shows very good results in practice. If a young soldier is found to be suitable and qualified, then he mostly passes the other training steps, sometimes with "more intensive" attention.

Selection Process

With all paratroop units, the first requirement is to volunteer--this is also true in Belgium. Physical suitability is determined by a special medical examination. Additionally, the following sports tests must be passed:

- a. 5 chinups,
- b. 35 pushups,
- c. high jump--1.15 meters,
- d. rope climb--5 meters,
- e. negotiating a 2-meter-high wall,
- f. ability to keep one's balance,
- g. 3-km cross-country run to be done in 15 minutes.

Suitable applicants first go through 3 months of basic military training at the Commando School at Marche-les-Dames. During this time, a systematic conditioning training is provided in view of upcoming training. During the 4th month, the actual commando training is accomplished, but represents more a type of infantry special training for employment under difficult terrain conditions. The training material contains the following focal points:

- a. overcoming of terrain obstacles,
- b. hand-to-hand combat,
- c. principles of military mountaineering,
- d. living under field conditions, principles of survival,
- e. using boats on the water,

f. reconnaissance troop practice and penetration practice.

At the end of this training sector, there is a test. Passing the test results in a festive conferring of the "A-Certificate Commando" and the appropriate beret in red or green.

In the 5th month, jump training takes place at the Paratroop Training Center at Schaffen.

Ground training, introduction to tactical and technical specialties of the airborne system, is preceded by eight jumps which begin by jumping from a training balloon and then from transport aircraft.

After jump training, the young soldiers who have now qualified as paratroops are transferred to their units and receive further training there as infantry soldiers, artillery soldiers, antitank gunners, or radio operators.

The Training Center at Schaffen

The paratroop school engages mostly in training courses for the follow-on generation, but also trains paratroops to a limited extent.

Paratroop training lasts a maximum of 4 weeks and is divided into 1 week of ground training, 3 days of technical training, and eight practice jumps. The first four jumps are made from a balloon tethered at an altitude of about 300 meters with the jumper located in a gondola on the underside of the airship which is always hoisted up. The balloon is used for economic reasons (fuel savings and fewer flying hours), but also for its psychological effect (more quiet time for the jumpers). The balloon has replaced the otherwise commonly used jump towers. After the course participants have become familiar with the techniques of handling the parachute, the jump, and, primarily, the landing, there are four additional jumps from transport aircraft. One night jump and one jump with full field equipment are included. After training, the trainees receive the "A Brevet" for paratroops. Members of all arms of service and graduates of the Advanced Military School for Officers can earn the "B Brevet," which only calls for a total of four jumps. While participation for officers is mandatory, other applicants can participate in the training course only if space is available. Naturally, these "amateur" paratroops must also volunteer; they must be able to prove that they are at least at the level of a noncommissioned officer.

The center also trains jump instructors and experts in dropping heavy weapons, jumpmasters and free-fall jumpers. Relations with paratroop units of allied and friendly armies are particularly close. There is a lively exchange of individual personnel, partial units, and company-size units. Participation in numerous sports and military competitions within the country and abroad which are connected with the earnings of numerous decorations is taken for granted.

The personnel strength of the school is approximately 250 soldiers, including a few females. The commandant of the school, who currently holds the rank of lieutenant colonel, has a small staff at his disposal. The headquarters

company has a platoon of specialists for loading and dropping of heavy cargoes; jump instructors are gathered together in a special platoon. A technical company has a platoon of parachute packers to pack the chutes and to do any maintenance work; the second platoon services the balloon training system. Student capacity is 240 and courses are attended by 60 to 120 jump trainees. For the duration of the training, they are split into 20-man groups commanded by a noncommissioned officer.

The accident rate is very small and technical errors are almost nonexistent. Occasional accidents are attributed to uncalculable weather conditions such as the sudden occurrence of ground wind.

The school exerts a great attraction for a number of not directly involved persons. Thus, the Belgian successor to the throne is a frequent and welcome visitor; also, members of various multinational NATO staffs and offices do their obligatory jumps here, partially because of sports enthusiasm, but also in order to qualify for continuation of jump pay.

Active Belgian paratroops usually receive an average net bonus of 180 francs. The Belgian paratroop insignia is only available in one grade, irrespective of the number of jumps, although training officers wear their own version. The standard parachute is the French Model EFA-672-12.

Courses for Juveniles

Young men between the ages of 16 and 21--and girls also--can obtain a personal picture of what service life is like for paracommandos on a volunteer basis.

For this purpose, during the weeks of summer, both schools organize "sniffer weeks" which, however, contain no obligation for the participants. Each summer camp lasts 1 week at the Commando School with interesting introductions into the secrets of climbing and water service. The courses at the Schaffen paratroop school last 2 weeks and include four jumps from the balloon.

Summation

Belgian paratroops have a high degree of performance and are excellently motivated. As a military "fire brigade," they stand at the disposal of the political leadership at any time in case of need. Despite all justified efforts of achieving savings in the military sector, such savings must not be at the expense of the paratroop units which also represent an essentially operational reserve in the area of NATO in central Europe.

5911

CSO: 3620/679

MILITARY

DENMARK

MINISTER ARGUES AGAINST 'NONAGGRESSIVE DEFENSE' CONCEPT

Copenhagen BERLINGSKE TIDENDE in Danish 8 Apr 86 p 9

[Article by RB&Bj: "Engell Cautions Against Nonaggressive Defense"]

[Text] "If Denmark follows the advice which a number of peace researchers as well as politicians on the left wing have put forth regarding restructuring of the Danish defense system into a so-called nonaggressive defense, a decisive break with the entire basis for the NATO alliance will have been prepared for."

Defense Minister Hans Engell (Conservative Party) cautioned with these words yesterday evening at a debate meeting at North Funen Gymnasium in Sønderød against a proposal by the left wing regarding a so-called nonaggressive defense.

"Major forces in the Socialist People's Party and Socialist Left Party are attempting to entice the Social Democratic Party with proposals regarding a so-called nonaggressive defense system. This would be a gamble which must be sharply repudiated," Hans Engell said.

"If we reorganize the Danish defense system in a direction so that we cut ourselves off from any possibility of being able to move our forces, it is the same thing as saying to the other NATO countries that we cannot help them or ourselves in an attack situation," he said.

8831

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MILITARY

DENMARK

MAJOR DISCUSSES OFFICERS' RESPONSIBILITIES IN DEFENSE DEBATE

Copenhagen INFORMATION in Danish 7 Apr 86 p 5

[Op Ed article by Major Michael Clemmesen, historian: "The Officer in the Defense Debate--an Unprotected but Necessary Frontline Fighter; Regarding Officers'--Some of the Country's Officials--Dilemma in Taking Part in the Public Defense Debate"]

[Text] Often the country's officials are challenged to take part in the public debate. The participation could result in the fact that decisions would gain a broader basis, become less autocratic, more democratic. This attitude enjoys broad--in principle--political support. However, the support is only in principle. When it comes down to brass tacks, government politicians understand quite well what advantages are achieved by controlling information and the capacity for analysis. If individual government politicians should have kept their democratic idealism in this area, there will always be officials who emphasize the disturbing effect on the administration of the domain in question which a sharing of information with the press and the opposition would have.

However, in most areas control over the central administration does not give an information and analysis /monopoly/ [in italics]. There is always in the local administration, in special-interest groups, at schools and in parts of the occupation in question a capacity which the press and the opposition can draw on.

However, an exception is defense policy. The only military experts in Denmark are united in the services' officers corps. In contrast to abroad, there is no civilian defense policy expertise here. This is due to the fact that since the start of the century it has not been considered especially relevant to get any.

Denmark can certainly not be defended militarily, goes the Danish defense policy dogma from the prewar period, a dogma which in modernized form primarily sees our military security as a function of the nuclear weapons guarantee and the possibility for Western allied reinforcements. It is ignored that the existing West German contribution to our defense goes beyond everything that we might be able to expect of reinforcements. It is not understood that our military geographic situation is better than the situation in the

Federal Republic of Germany--if defense is not regarded as hopeless. It is not seen that the credibility of alliance solidarity also--and to a substantial degree--is based on the "military technology" content of Denmark's military defense. It is not understood that the dogma would have objective content today if it were a fact that any conflict would with certainty unleash a total nuclear war. In this case it would be generally valid, however. In sheer fact the dogma is an anachronism.

The officer with his background has not had difficulty in recognizing this, and he is placed in a dilemma when politicians, supported by security policy advisers--with a point of departure in the logic of the anachronistic dogma, without wanting to and without realizing it conduct a policy which results in undermining the defense system's content and effectiveness.

Without necessarily understanding that the problem is caused, among other things, by the fact that he perceives the meaning of "military technology" matters essentially differently from his political employers and some of their chief advisers, he feels the need to counteract developments by taking part in the debate. His dilemma arises because he expects that the "system's" attitudes toward the participation of officers in the debate are as follows:

The officer is an */official/* [in italics] in the Danish central administration. Only if he with his participation in the debate acts as a self-appointed spokesman for the government's policy can it just barely be accepted. But it is preferred that he, if he has good ideas or arguments, channel these so that the government--if it so desires--can reap the political gain by using them. He understands well that the government in office almost has an analysis and information monopoly in the area of defense. An official does not "politicize," i.e., he does not make statements to the public in such a manner that a political debate originates.

Open participation in the debate will only disconcert the politicians and */provide them and the opponents of the armed forces with pseudo-objective arguments/* [in italics]. The armed forces leadership's line has been laid down out of consideration for all objective viewpoints as well as with an understanding of the politically practicable. The uncontrolled debating officer's statements will not be able to avoid being narrow partial contributions which, if they are adopted politically, will only upset the impartial line laid down by the armed forces leadership. Historical experiences have been had, of the inappropriate in a divided front in the encounter with the politicians. Loyalty and discipline are expected in peace time, too. Uncontrolled participation in the debate can be perceived as disloyal, as unhealthy exhibitionism or as an attempt at politicized career making. In the armed forces' traditionally closed system, besides, a tendency will be had to take a non-understanding attitude toward (and to feel insecure about) officers' gathering and discussing outside traditional defense policy circles.

This is the officer's perception of the "system's" attitudes and thereby of the risk of entering the debate. It is a perception which unfortunately is realistic. It must be strongly regretted, because these attitudes in the defense area--because of the monopoly situation--lack legitimacy in our

democratic political system. Only in a situation with an acute foreign policy crisis, in which the nonambiguity of signals can be decisive, will it be fair and appropriate to limit the debate.

If the officer should surmount the misgivings threshold and enter the debate, he will encounter a new set of expectations and attitudes from the society he encounters:

The officer is /a legitimate representative of one of the special-interest groups/ [in italics] competing for the society's resources. It is natural that both the armed forces leadership and other representatives of the armed forces participate in the debate. If this does not take place, it must be because the organization's arguments for retaining or increasing its share of the society's resources are so poor that a reduction is reasonable.

The officer is only the /powerholders' representative/ [in italics]. When he takes part in the debate he is acting as a propagandistic "organ grinder" for them. His input was chosen in opportunistic loyalty to the powerholders (who can be in office in the government or be better represented in the opposition). His contributions for this reason are not especially impartial. They are also not especially relevant to Denmark's security because they rest on unscientific, too narrow or anachronistic premises.

The source of this perception here at home is to a considerable extent the provisional period's strong linking together of participation of the army officer corps in the debate and class and party politics interests.

The officer is /the only loyal representative of the armed forces cause/ [in italics]. He is the only domestic safeguard against the politicians' opportunistic acting with the country's security as suits them. Only he places the nation's survival above private party and political party interests. The politicians' attempts to hinder the participation of officers in the debate border almost on treason against the people. The armed forces leadership's support, if any, of the politicians' attempts can only be regarded as career making.

This attitude too has its roots in the provisional period, but its most important source is the experience on 9 April 1940 and the occupation.

For many officers who take part in the debate the motivation is a mixture of the first and last of these three attitudes. It is for this reason natural that a considerable portion of one's efforts is used on mobilizing traditional defense policy audiences. This also reduces the risk in taking part in the debate. The first attitude, incidentally, can be regarded as legitimate, for it is based on a perception of our political system which is widespread among the people and among politicians. Regardless of the motive behind participation in the debate, in the present situation it must be seen as necessary and appropriate.

Without a more qualified debate, which cannot originate without the participation of officers, it is hardly possible to create the political will to

implement the priorities which are a precondition for the armed forces' being able to use their resources purposefully. Political feedback, which of necessity must be objectively realistic and relevant foreign-policy-wise, is lacking today in many areas. Some of the essentials are:

The question of guiding readiness for the armed forces which both reflects the foreign policy situation and the likely distribution of resources.

The question of the will to base the defense system on the use of weapons before Danish (or nearby allied) territory is invaded or attacked, as well as:

The question of the dependence of reinforcements and the nuclear weapons guarantee in relation to the national defense system's staying power (together with the Federal Republic's forces).

Without feedback in these areas, among other things, it will not be possible to ensure a rational defense system, regardless of the economic level.

Participation in the debate will cover an important need also in a less concrete more attitude-shaded area. Without it, contact between the people and armed forces, which no one of a really democratic disposition can have anything against, will be very limited. Only a small portion of the population today gains contact in connection with the completion of compulsory military training.

There are no long exercises in which one lives among the rural population for periods. The officer corps behaves shyly and reserved toward the society which it otherwise in other ways has now been completely integrated into. To the average Dane the armed forces today seem remote, impersonal and, because of their mission, inhuman. Whether there should be armed forces and the question of their organization should not be decided without a conflict of opinion in contact. Only via direct confrontation with "ordinary people" and their expectations and prejudices will an officer be trained to put his expert knowledge into a relevant perspective. The officer has at least as great a need for confrontation with a perhaps non-understanding and critical audience as the audience will benefit from having any prejudices punctured.

Regardless of the fact that the attitude basis of individuals can perhaps have its validity contested, the participation of officers in the debate is desirable from a higher-level point of view. A fourth attitude which he will encounter in broad circles emphasizes this. This has its basis in the fact that /the officer represents the only military expert knowledge in Denmark/ [in italics]. This must of course be placed at the disposal of the people in a democratic process. This is an attitude in direct conflict with the perception that an officer must behave as a traditional Danish official. As mentioned, this attitude is found in broad circles, i.e., also among those critical forces who were represented in the disarmament movements. Often the "powerholders' representative" who is invited to legitimize the claim of having all sides represented has ended up in another role.

The idea that this attitude should govern the "system's" policy toward the participation of officers in the debate is certainly naive, but it does not lack legitimacy in a democracy. Without open participation in the debate there is a risk that a total understanding and cultural gap will arise between the people and the armed forces. The political debate regarding the armed forces policy can very well end in a confrontation and polarization which do not even have an objective basis. The side which does not have expert knowledge at its disposal but which is just subjected to what it can perceive as a bombardment of claims can end in agreement on a policy which suffers from very important objective--and, derived from them, policy--shortcomings. When I have the naive models for a "non-offensive" defense system presented, the possibility does not seem remote to me.

8831

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MILITARY

DENMARK

HOME GUARD COMMANDER ON MISSIONS, CAPABILITIES

Copenhagen BERLINGSKE TIDENDE in Danish 17 Apr 86 p 16

{Op Ed article by Major General Rud Gottlieb, Home Guard Commander: "An Indispensable Component of the Defense System"}

[Text] That I am taking the floor in connection with Mr. Jens Maigård's debate article in BERLINGSKE TIDENDE, 4 April 1986, is not due to Mr. Maigård's treatment of the subject of a nonaggressive defense system, for Mr. Maigård does not treat it but just points out the fact that "at the moment it is being studied and considered." Clever and noncommittal. For a nonaggressive defense system in the newly invented version--though referred to by Mr. Maigård as "a Nonaggressive Wearing-Down Defense System"--has no meaning in Danish defense.

Denmark has never had and will never get anything other than a nonaggressive defense system, and I will come back to this.

Denmark has a Home Guard, which in its idea, conduct and organization is unique in the entire world. For this reason the Home Guard also deserves attention when we in Denmark today discuss our foreign and security policy situation.

Often many of Denmark's 75,000 voluntary members of the Home Guard have challenged me to retort to more or less condescending statements regarding this home guard as a whole or regarding individual members.

Such statements have often stemmed from an emotional basic attitude which does not permit itself to be influenced by objective arguments.

Although this is certainly also the case with Mr. Maigård's attitude, let me be allowed to appear to be an instigator here--on my own behalf, but really primarily on behalf of 75,000 present and about 200,000 former members.

That I am accordingly retorting is due to Mr. Maigård's display of contempt for the Home Guard's members. I quote: "Formerly it was said regarding the Home Guard people that they were 'peacetime murderers.' But it is a movement which it is a question of here. And the fact remains as well."

Clever. Then the fact remains. Without reference and without anybody's being held responsible for the statement.

As a Folketing candidate it is disgraceful to make such a show of contempt regarding an impressive group of well-meaning and defense-positive people represented by every part of the Danish community.

Mr. Maigård owes all these (about 275,000) people an unreserved apology. It should be made without explanations, commentaries or association with other viewpoints.

In support of my view, I can add that I have had to answer a good many inquiries regarding the difference between Mr. Maigård's statement and the just concluded case on Langeland, where a man was convicted for having called in a reader's letter a retired police inspector a Nazi. The difference is that Mr. Maigård is more cunning in his choice of words.

In order to give an account of the Home Guard's role in, among other things, a nonaggressive wearing-down defense system referred to by Mr. Maigård, it is appropriate to first give an account of the Home Guard's legally established duties, and of how we with our existing organization can discharge these duties.

The Home Guard is ordered by law to support the army, navy and air force in the discharging of their duties in the Danish defense system. These duties are discharged in and around the individual member's home and include mainly surveillance, standing guard and minor combat duties which can be discharged with a group effort (about 10 men).

The discharging of duties is conducted or coordinated by units of the size of a company (about 120 men).

Training is limited to what is necessary in order to be able to discharge the relatively simple duties with uncomplicated weapons. The entire country is covered by a network of "company districts," within which the almost 700 companies, flotillas and squadrons discharge their duties, figuratively speaking, by the "net's" being drawn together around the, it is hoped, limited enemy forces which invade our territory--by keeping an eye on them, hampering their freedom of movement, forcing them to set aside considerable forces for their own safety (protection), and, furthermore, striking at any letting down of their guard where the Home Guard's groups with their light but effective weapons can assert themselves.

With this in principle totally defensive conduct, the Home Guard can contribute to the service forces' gaining a better opportunity to discharge their duties. But only under the precondition that army, navy and air forces can quickly relieve the Home Guard by efforts at the local level does the Home Guard have a meaning. Otherwise the holdout time will be extremely limited and it will be the Home Guard which will very quickly be worn down--mind you, to no benefit.

Since Danish forces will never be able to counter landings everywhere in the country at the same time, it will be precisely the Home Guard's local efforts together with the army's local defense units which will first and foremost be able to create the preconditions for the timely bringing into action of army, navy and air units in order to bring about local supremacy at the right time and place.

Therefore, if an attempt to occupy the country is to be prevented or preferably to be made not very attractive already beforehand--for it is this which our strategy aims at--the defense system must possess the ability to establish the required supremacy locally.

If the army is organized as a nonmobile and nonaggressive wearing-down defense force, the concept will just imply that it is Denmark's forces, the army and Home Guard, which will quickly be worn down.

The enemy will then be able to concentrate on bringing into action those weapon systems which are very suited to wearing us down, at convenient distances and without great risk to their own lives. Our forces can just "sit in the hole" and wait for--not /whether/ [in italics]--but /when/ they will die.

Then we will be a devourable and thereby tempting objective which arrangements can be made for already in peace time at that.

If the Home Guard is no longer included as part of a defense system with great firing power and mobility, our survival time will be so short that our presence will just be a waste of many good lives in vain.

In this case the Home Guard will not have any basis for existing.

If we are to have success with the modest total forces we can set on their feet (and they are not at all so insignificant at that), then the effort must be seen as a whole, and we must have at our disposal a combination of weapon systems which can handle the offensive systems a prospective enemy brings forward.

The halting of the enemy's armored divisions, which will come over dry land, can best take place if Danish forces together with equivalent West German and other allied forces can make an effective contribution, i.e., by a defense in Schleswig-Holstein.

Thereby, it is hoped, the enemy's main forces can be stopped before the border. And the Home Guard can retrench to discharge behind the lines those duties for which we are trained and organized.

Countering of those enemy forces which come via the Baltic (in the air or on the water) can best take place while they are united into larger units. That is, over and in the Baltic, before they land.

An effective air force and navy are required for this.

If the enemy all the same comes up into the country or lands, it is hoped, with reduced forces, its forces must also be able to be stopped and driven out again or destroyed via an offensive effort. Army field forces with, among other things, tanks are required for this.

If the Home Guard's effort--the countrywide network--can take place against a background of units of the services with the mobility to create the requisite weight in the secured space the Home Guard can create, then it will have a meaning:

That 75,000 volunteers, women and men, trained and with weapons in hand, will stand ready to defend their homes.

That they will be organized and trained to observe and report on everything that an enemy at sea, in the air and on dry land might undertake anywhere in the country prior to or concomitantly with an actual attack.

That the effective guarding of vital installations and mobilization areas can be begun in one or two hours and thereby, among other things, ensure the implementation of mobilization.

That in addition to the electronic warning systems there will be an alternative effective warning system which can warn of all incoming flights at low altitude and, at that, via this warning system enable the guidance of our own planes in the air, and:

Although, all the same, units of the enemy's forces succeed in invading the country, they will have to count on, over and above the army's weapons, which by virtue of their armor and mobility can be brought into action when necessary at central locations, in addition, encountering units of 10,000 antitank weapons attended to by Home Guard people familiar with the place and locale, from hedges and thickets everywhere they come from.

This is what the Home Guard can do.

And so up to now I have talked mainly about the possibilities for developments in a war--this is of course important.

However, the most important thing is to avoid a war altogether.

If it becomes known--and it is--that Denmark has become less appetizing, the chance that anyone will make an attempt at all will be smaller.

/This/ [in italics] is decisive, and thereby the Home Guard has contributed already in peace time to the discharging of the defense system's combined duties.

Just as the presence of the services and their ability to constitute a counterattack to the extent required is a necessary prerequisite for the

Home Guard's having a meaning in the Danish defense system, the presence and effectiveness of both the services and the Home Guard are a necessary prerequisite for allied forces' being able to be brought into action as part of NATO's defense system.

So, it is accordingly worth keeping the Home Guard we have, which, among other things, through its constant and high readiness and the will of its members to contribute to the country's defense, is unique in the entire world.

8831

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MILITARY

DENMARK

BRIEFS

WOMEN'S COMBAT ROLE URGED--Women should not be kept away from the foremost front line if Denmark should go to war. The Home Guard Women's Corps is figuring on total equality before the next new year, and the chairman of the Equality Council, Folketing Member Helle Degn of the Social Democratic Party, expects it in the three services as of 1988, AALBORG STIFTSTIDENDE writes. In her opinion, this will mean that there will no longer be jobs women are kept away from. For example, today there are no women pilots in the armed forces. An experimental arrangement with women on battleships in the navy has already been concluded, and an experiment with women in combat troops in the army and in the close-range air defense system, among other things, in the air force is in progress. This will be concluded in 1987, and the data collected will form a basis for the future. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 7 Apr 86 p 2] 8831

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MILITARY

ITALY

MAJOR RESTRUCTURING INCLUDES RAPID DEPLOYMENT FORCE

Rome IL TEMPO in Italian 9 Apr 86 p 22

[Article by Carlo de Risio: "The Army's New Face"]

[Text] The Italian army is on the eve of a second restructuring, after that of 1975, whose distinguishing characteristic was the abolition of regiments and the adoption of the brigade, an intermediate unit between battalion and army corps, and number 24 in all, as the principal operational "player." The program "cuts" are of considerable extent, in order to adapt allocations to needs and to "save" or regain around 20,000 men in 2 to 3 years. What, then, is the new face of the army, especially the "field" army?

First of all, the armored-division commands Ariete [Ram] and Centauro [Centaur], the mechanized divisions Mantova and Folgore [Lightning] (not be confused with the parachute brigade of the same name), and the Trieste Forces Command, will be dissolved. Here we may recall that Ariete, Mantova, and Folgore form part of the Fifth Army Corps (Vittorio Veneto), and Centauro of the Third Army Corps (Milan). The latter corps, which until now has been the weakest, will be assigned the Brescia and Trieste motorized infantry brigades, drawn from the Mantova and Folgore divisions, respectively. No restructuring is planned for the Fourth Alpine Army Corps (Bolzano), composed of five brigades: Julia, Cadore, Tridentina, Orobica, and Taurinense.

The Rapid Intervention Force (RIF) represents a special "novelty," for which a division-level command is planned. The RIF, with a structure presently formed by some battalions of the Paratroop Brigade and of the Friuli mechanized brigade, plus support and service elements, is to become, according to the general staff's intentions, an "interservice" unit: in fact, the San Marco marine infantry battalion--with its transport--will join it, while the Air Force will furnish the glider troops of the 46th Air Brigade. The RIF has been conceived for speedy deployment in the metropolitan territory and also in the Mediterranean region, in light of recent "emergencies" (Lebanon I and II, Sinai, Suez Canal). As a general principle, the other "cuts" foresee the dissolution of the divisional artillery commands, of some "obsolete" artillery formations, of divisional light air-defense units, and of artillery and engineer units still at the regimental level. The artillery arm will be reorganized in a more unitary and functional way. The plan in fact is to regroup the heavy artillery at the army corps level: although not

taking that designation, this will amount to actual artillery brigades, in 5 to 7 groupings. Again, to give the army corps a more definite logistical shape, the engineer and communications commands will be strengthened. Further, the creation of an overall command for the army's excellent light aviation is planned for each army corps. More delicate, for their "political" and regional implications, are the decisions on the archaic or otherwise nonproductive infrastructural elements. It is certain, in any case, that the territorial-army organization will be affected, through the progressive elimination--to the point of complete absorption or by "starvation"--of some depots, districts, medical facilities, and production facilities. If the "pruning of deadwood" must take place, it is necessary that it hold for all alike, although it is predictable that the general restructuring plan will not fail to call forth complaints in circles both wearing stars and not wearing them. This is about what the defense minister himself, Senator Spadolini, foresees.

In this respect, it would be worse than unjust to deny that, with the White Book on Defense and with the definition of the five interservice missions, a substantial step forward has been taken toward making Italian military thought on the present geostrategic situation (which is no longer confined to the northeast land border alone) "comprehensible," and not just to experts in the field. The most recent (and all-too-current) tensions have enveloped the Italian peninsula from the south, sounding a preemptory call for a "seaward front."

From this standpoint, which is clearly the dominant one, it would be madness for the "interservice" commitment not to continue with a truly consistent, and not just an episodic, thrust and, above all, for the "traditional rivalries" among the armed services not to be buried forever (as a typical example, the one about naval aviation). The Army, which is the senior service, is confronting a second restructuring in 11 years, at no small sacrifice. It is a matter of further clarifying the concept of "defense," which is still in need of further "adjustments."

[Box, p 22]

But It Is the "Field" Army That Is Changing

In accordance with the 1975 restructuring, the Ariete armored division came to be formed from the Mameli and Manin armored brigades and the Garibaldi motorized infantry brigade. With the abolition of the divisional level, the Manin brigade is to be the one to change its name to Ariete, thus perpetuating a tradition of almost half a century, since (without wronging anyone) Ariete is synonymous with great prestige, even abroad. The Centauro armored division will also be abolished. It had until now been composed of the Curatone armored brigade and the Goito and Legnano motorized infantry brigades. In this case, the Curatone brigade is to be the one to inherit the Centauro name.

The abolition of the Mantova mechanized division will entail a more substantial restructuring. As it was composed of the Pozzuolo del Friuli armored

brigade and the Isonzo and Brescia motorized infantry brigades, the higher echelon--the Fifth Army Corps--will cede this last-named unit to the Third Army Corps. The Isonzo brigade is to assume the name of Mantova. The same holds for the Folgore mechanized division, composed of the Vittorio Veneto armored brigade and the Gorizia and Trieste motorized infantry brigades, with the Amphibious Forces Command ("Lagunari" ["Lagooners"]) also among its subordinate units. The Trieste brigade will be assigned to the Third Army Corps, and the name Folgore is to remain the sole prerogative of the paratroopers.

With respect to the Trieste Forces Command (at the divisional level, and equally slated for dissolution), three motorized infantry battalions, a field artillery group, and a training company are stationed in the capital of the Venezia Giulia region.

13070/13046

CSO: 3528/121

MILITARY

NORWAY

NAVY SHIPS INVESTIGATE POSSIBLE SUBMARINE SIGHTING IN FJORD

Oslo AFTENPOSTEN in Norwegian 28 Apr 86 p 7

[Article by Bjorn Olsen: "Pilot of Small Aircraft Saw 'Possible Submarine' in Inner Hardanger--Starting to Dive"; first paragraph is AFTENPOSTEN introduction]

[Text] "The object had a speed of 18-20 knots, and it disappeared from the surface immediately when the aircraft flew over. I got a short glimpse of it, and 20 seconds later we could see disturbed water where a large object was diving. It was neither fish nor fowl that we saw from 600 feet over Hiss Fjord in Hardanger."

That was said by the 37-year-old Gullfaks engineer Knut Inge Dronen from Fitjar on Stord. Dronen was the pilot on board a Cessna 172 with three work colleagues enroute from Voss to Stord. At 2040 Friday evening the aircraft went down toward a power line span from Jondalen across the inner part of Hardanger Fjord.

"Immediately after we passed the span I caught a glimpse of the unknown object at high speed on the surface headed out of the fjord. I called the attention of the others in the aircraft to what I had seen on the water directly under the aircraft. After a maneuver in the air, when we again caught sight of the object it had gone under. We could see the wake of a large object diving for about 150 meters. That lasted for perhaps 20 seconds, and all on board agreed that we had seen a submarine and periscope disappearing in the water," said Dronen to AFTENPOSTEN.

He said that it was almost a flat calm on the fjord, with "the visibility more than 10 kilometers." On landing at Stord Dronen phoned in a factual report to Haakonssvern in Bergen. Today the engineer is annoyed that he possibly missed out on the photograph of the year. His camera was ready for use in the cockpit, but nobody remembered it in the decisive seconds over Bonde Sound in the inner Hardanger Fjord.

Navy ships arrived at the place several hours later, but as no contact had been made with the object by Saturday afternoon the search was reduced. The Commander of Naval Forces in South Norway, Rear Admiral Rolf E. Pedersen,

called Dronen's observation reliable. The decision to reduce the search effort in Hardanger Fjord was made after a total evaluation of the situation.

The NRK [Norwegian Broadcasting System] in Hordaland reported Saturday that another pilot of a small aircraft earlier in the week saw something that he thought was a submarine. There was uncertainty as to whether this could possibly have been a Norwegian or an allied submarine.

9287

CS0:3639/104

MILITARY

NORWAY

NATO EXERCISE REVEALS DEFICIENCIES IN MINE SWEEPING, SIGNALS

Oslo AFTENPOSTEN in Norwegian 29 Apr 86 p 4

[Article by Liv Hegna: "Norway Lacks Enough Minesweepers"; first paragraph is AFTENPOSTEN introduction]

[Text] Norway's ability to sweep mines in its own waters is insufficient. And furthermore Norwegian ships no longer listen well enough on the emergency radio frequency. This was shown by experience during the recently concluded NATO exercise in Naval Control of Shipping. AFTENPOSTEN learned this from Captain Oystein Hoel, who is the commander of the Naval Operations Center in the headquarters of the Commander North Norway Defense Command.

The exercise lasted 10 days and included about 100 Norwegian ships and 90 called-up conscripted crews in addition to the Navy regulars. The introduction of the so-called NMT [Nordic Mobile Telephone] was apparently the cause of a number of communications problems during the exercise.

From the NATO viewpoint the supply lines across the Atlantic will be among the highest priority areas for defense efforts. The tasks for the Norwegian Navy will probably be concentrated on control and protection of civilian tonnage being used to transport supplies from south Norway to north Norway, from one end of the country to the other. It happens that 90 percent of the resources are located in the south, while the greatest defense efforts will probably be needed in north Norway.

E6 and the railroad to Bodo are vulnerable lines of communication, and the defense forces will therefore rely heavily on sea transportation.

The recently completed naval exercise was a part of the NATO exercise "Sea Supply." Combined with the exercise "Med Supply," practically all of the NATO merchant ships have been exercised this year. The advisor to the Chief of Defense for Naval Control of Shipping, Captain Reidar O. Stolpestad, told AFTENPOSTEN that 6,000 merchant ships are involved in the plans for naval control of merchant shipping. Stolpestad emphasized that despite the large amount of foreign registry of Norwegian ships recently, Norway is still very high in the number of merchant ships which can be reported to NATO for transporting supplies by sea in case of war.

Stolpestad also said that such an exercise in naval control of shipping is good for the Navy's regular and conscripted manpower, and also for the merchant crews, who learn about such things in Seaman School, but seldom get any experience with them. "Therefore we send our people on board to give orientations on what the ships must do," said Captain Stolpestad. He emphasized that the Defense Department would hold a symposium during May in order to draw out all the lessons learned during the NATO exercise.

9287

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MILITARY

NORWAY

DEFENSE MINISTER: NAVY UNABLE TO AFFORD SHIPS OFF FINNMARK

Oslo AFTENPOSTEN in Norwegian 17 Apr 86 p 3

[Article by Thorleif Andreassen]

[Excerpt] The Defense Ministry cannot afford to keep a ship permanently stationed off East Finnmark after KNM "Vadso" was taken out of active service last year. Defense Minister Anders C. Sjaastad, answering a question in Storting yesterday, said that an effort would be made to take care of that ship's duties through more frequent trips in the area by naval and coast guard vessels.

Sjaastad was answering a question from Karl Erik Schjott Pedersen (Labor), who stressed the increased strategic and economic importance of northern ocean areas.

Officers

The defense minister expressed a hope that eventually the armed forces will be able to offer so many benefits that the loss of personnel will come down to a level that is more acceptable than it is today. He assured Magnar G. Huseby (Conservative) that both the Defense Ministry and the Defense High Command regularly evaluate various special measures for officers, measures that to some extent can offset the disadvantages of serving in the armed forces.

6578

CSO: 3639/103

MILITARY

NORWAY

ALLIED CONTROL OF NORWEGIAN SEA VITAL FOR COUNTRY'S SECURITY

Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 3

[Op Ed Article by Finn Sollie: "The Norwegian Sea and the Balance of Power"; first paragraph is AFTENPOSTEN introduction]

[Text] Unless Norway's allies can adequately offset the naval threat in the Norwegian Sea, Norway will be more exposed in wartime and have a weaker position in peacetime than ever before in its history, Finn Sollie writes. For many years Sollie was research leader at the Fridtjof Nansen Foundation and now he heads his own research group, the Perspective Group for Arctic Issues.

The expansion of the Soviet naval forces operating out of the bases on the Kola peninsula and the need for measures on NATO's part to meet this challenge have turned the spotlight on the Norwegian Sea with the debate on military measures and their possible effects. Today only the American Navy is capable of balancing the Russian naval forces and preventing Soviet dominance in the Norwegian Sea. Therefore the debate has been especially intense in the United States and, of course, in Norway where people are directly affected by developments in nearby ocean waters. But NATO's mutual security interests are also affected by the balance of strength in northern waters.

In the American debate the question of the Norwegian Sea is one element in a far broader discussion on the role, size and composition of the navy. There the need for increased strength in the Norwegian Sea is an argument for a general buildup of the navy in order to offset the fleet expansion that has been occurring on the Soviet side for the last few decades and is still being stressed.

Norway's Security

In Norway, naturally enough, the discussion has focused on the special problems the situation in the Norwegian Sea can create for Norway's security. Here it is claimed on the one hand that the danger of Soviet dominance is so great that steps are needed to prevent the Soviet Union from being able to cut Norway off in wartime and to subdue Soviet pressure and intimidation in peacetime. To achieve this, naval readiness must be strengthened and that

can only be achieved through an increased American naval presence in the form of exercises and patrol operations in the Norwegian Sea. On the other hand it is said that expanded American naval activity can be regarded as a threat by the Russians and might provoke Soviet countermeasures that would increase tension and make Norway's situation even more difficult.

The situation for Norway is difficult and uncomfortable, while at the same time there is little or nothing Norway alone can do to reduce the threat and diminish tension in the region. It may be called the Norwegian Sea, but we are not talking about Norwegian territory. The law of the sea gives Norway the right to resources in the water and on the continental shelf in a large part of the Norwegian Sea, but passage there is still unrestricted. This also applies in a military context.

The military importance of the area is based on conditions and interests that Norway does not control. Here Norway's own security situation is determined by international developments and not by Norwegian policy. A realistic assessment of the situation and measures taken there must occur within a framework created by international strategic interests that Norway does not control but that are decisive for the situation in which the country finds itself.

Neutrality

When Norway acquired control over its own foreign policy in 1905, it was assumed that the best way to avoid involvement in the moves made by the great powers was to avoid being active in the area of foreign policy. Political and military neutrality would protect the nation's security. For a while this policy was successful and it paid off after World War I when the great powers decided to recognize Norwegian sovereignty over Svalbard, because it was felt that Norwegian supremacy and Norwegian neutrality would keep the islands safe from international political power plays. As extra insurance, the Svalbard Treaty of 1920 banned naval bases and fortifications on the islands.

Influence

Even so it was World War I that revealed a power structure and a war technology that would influence developments throughout the century and would make it impossible for Norway to defend its security by means of neutrality. Throughout the century there have been conflicts and tension between a domineering continental power on the one hand and coastal nations that are not strong enough to engage in a war against the continental power without massive supplies and reinforcements shipped in by sea on the other. The role of North America, and especially the United States, as a supporter of the Atlantic coastal nations in Europe made naval warfare and the battle over supply lines decisive for the outcome of a war in Europe. This made control over coastal areas and bases for the battle of the Atlantic a vital element in waging war. What this meant for Norway was demonstrated in World War II--the German submarine bunkers in Bergen and Trondheim are permanent reminders of the loss of the nation's security policy innocence.

More Exposed

Norway's exposed position in the new power picture was not changed by the defeat of Germany and the emergence of the Soviet Union in the role of dominant continental power in Europe. On the contrary, with the shift of the continental power center from Berlin to Moscow, Norway's position became even more exposed. The Soviet Union is cut off geographically from the open sea and the battle over the Murmansk convoys showed the importance Norwegian areas can have for safeguarding the line of communications between northern Soviet ports and the Atlantic Ocean.

Soviet Demands

Soviet strategists were concerned about the need for free access to the open sea and in November 1944, before the war was over, the Soviet Union demanded that its ally, Norway, relinquish Bjornoya, agree to joint Norwegian-Soviet rule over Svalbard and allow both countries to have troops and military facilities there. The Norwegian government in London felt pressured by circumstances--among other things, Soviet troops had started to liberate Finnmark--and indicated its willingness to make big concessions. The main reason why the demands were not met in practice is that the Svalbard Treaty involved other countries in the area and they could not be expected to accept changes in the status of the islands that would be counter to their own interests. Soviet control and the militarization of Svalbard were not just a question of Norwegian concessions but a threat to the very balance the treaty was intended to safeguard.

With the naval expansion that was carried out after the war and that is still going on the Soviet Union became a great naval power and the North Fleet that operates out of the Kola bases is a formidable threat to the supply lines of the Atlantic states and thus to the whole balance of power in Europe. At the same time the development of strategic submarines with long-range nuclear weapons that can strike targets in the United States from positions in northern waters caused the ocean areas around Norway to assume great and perhaps decisive importance in the direct nuclear balance of terror between the Soviet Union and the United States. This means that if war broke out, control of the Norwegian Sea could be decisive to the outcome.

For Europe, the United States and the Atlantic alliance this is a critical problem. For Norway this does not just mean that Soviet control of the Norwegian Sea would cut off supplies and reinforcements being sent here, it also means that securing control over Norwegian territory could be an important and early war goal in a situation where the Soviet Union feels a need to open a route to the Atlantic Ocean or wants to establish a secure buffer zone for its strategic submarines. Due to the role the Norwegian Sea has acquired in the international balance of power, developments there have assumed decisive importance for Norway's own security in a way that makes it impossible for Norway to protect itself from the threat without assistance.

In practice this means that if Norway's allies--and in this context we are primarily referring to the United States--are unable to adequately meet the

naval threat in the Norwegian Sea, Norway will be more exposed in wartime and more vulnerable to political pressure in peacetime than ever before in its history. To the extent that the ability to counter the threat in the Norwegian Sea is decisive for Norway's own security it will also be a primary interest for Norway to have a pronounced and adequate allied naval presence there. The alternatives to security through sea control are considerably increased defense preparedness on Norwegian territory or a loss of security.

6578

CSO: 3639/103

MILITARY

NORWAY

BRIEFS

MILITARY ORDERS AMMUNITION, COMMUNICATIONS EQUIPMENT--(NTB)--The Defense Ministry has approved a contract between the armed forces and Raufoss Ammunition Company. The contract involves various types of ammunition and is worth 77 million kroner. Delivery will be made in the period 1986-88. The ministry also approved a contract between the navy supply command and LM Ericsson of Sweden for delivery of communications equipment for target data receivers. The contract is a supplement to earlier contracts and the total value is now around 37 million Swedish kronor. The equipment will be delivered by 1989. The army, the home guard and the air force will purchase knapsacks from Cato Ringstad, Inc. in Halden. The contract is for 14,000 knapsacks and is worth 6.4 million kroner. [Text] [Oslo AFTENPOSTEN in Norwegian 17 Apr 86 p 43] 6578

CIVILIAN PILOT TRAINING PROGRAM--Torp Air Base near Sanderfjord will be the site of a new civilian pilot training school if Storting goes along with the proposal made by the Defense Ministry. It will cost 25 million kroner to set up the school, but the ministry believes it will reduce pilot flight from the air force from 80 to 50 percent of the pilots trained each year. Lieutenant Colonel Herman Stern did the preliminary work on the proposal. He recommended that basic pilot training on single-engine planes and advanced theoretical training be carried out in Norway. Advanced flight training would take place in Sweden, according to the publication FORSVARETS FORUM. This school would accept 140 students from the Nordic countries. Norway has a quota of 40 students. [By Liv Hegna] [Text] [Oslo AFTENPOSTEN in Norwegian 18 Apr 86 p 12] 6578

CSO: 3639/103

MILITARY

SWEDEN

IMPORTANCE OF BALTIC OUTLETS FOR NAVAL DEFENSE STRESSED

Stockholm UNDER SVENSK FLAGG in Swedish No 3, Mar 86 pp 4-7; 17

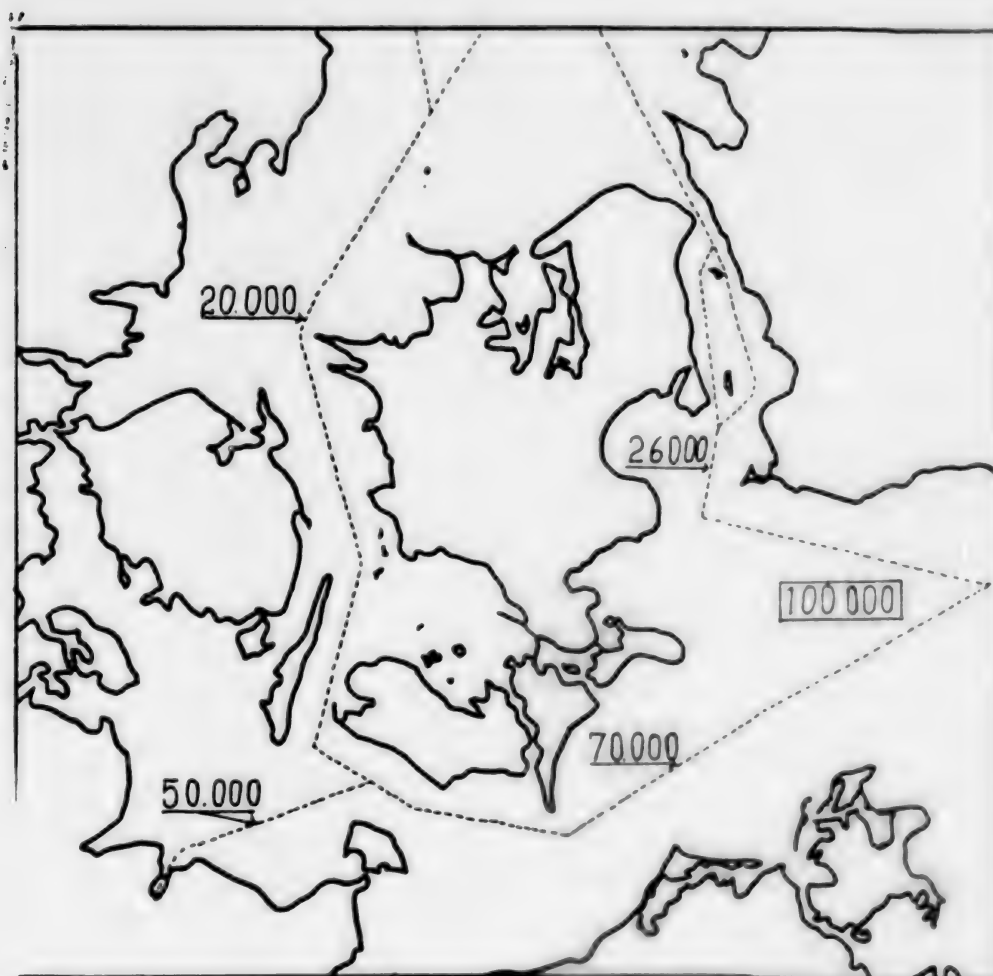
[Article by Captain Christer Fredholm: "The Watchful Eye of the Navy on the Baltic Outlets"]

[Text] History unequivocally and clearly demonstrates the major importance of the Baltic Sea outlets primarily for the coastal states of the Baltic Sea but also for major powers in general. Control over the outlets has been intimately connected with supremacy at sea in the Baltic.

During the 16th and 17th centuries the Danes believed they could open and close the sounds at will. In the 18th Century the control over the sound played a major role for Denmark, Sweden and Russia, since the Baltic Sea was then a closed sea, barred to the warships and privateers of foreign powers. One example of this is that during the latter part of the 1700's Russia had a special Baltic squadron detached for the duty of watching the Baltic outlets. The dissolution of the armed Nordic neutrality pact in the early 1800's was the end of the epoch during which the Baltic Sea had been a sealed-off body of water.

Since the early 1800's Sweden has followed the practice which dictates that "sounds which link two parts of the open sea and which are used by international shipping may, according to international law, not be closed by the coastal states." The Swedish standpoint has been that the commercial and naval shipping of foreign powers should have the right to free and harmless passage through Oresund, both during general peace and during war between foreign powers, when Sweden is neutral. That principle was laid down with the creation of the so-called Oresund treaties in 1857, when customs duties in Oresund were also abolished. It was established at that time that harmless passage through Oresund and the Belts must not under any circumstances be prevented or delayed. This important document of international law is still valid today. Harmless passage means that the calm, order and security of the waterfront nations may not be disturbed.

The international significance of the Baltic outlets was confirmed in both World Wars I and II. At that time the German Navy laid extensive minefields



The picture shows what the Maritime Surveillance Center has to monitor. The figures indicate the number of ship passages in the Baltic outlets in 1 year.

in southern Oresund, in both cases without respecting the Swedish territorial limit at sea—at that time 4 miles. With that, as well as in connection with the border violations that took place in Oresund, the Swedish neutrality policy was subjected to severe strain. As a result of World War II, the military-strategic situation in the Baltic Sea has changed politically, geographically and from the viewpoint of strength. The struggle for supremacy at sea is now conducted primarily between the two major power blocs NATO and the Warsaw Pact (WP). In a future conflict Sweden could lie as an island between the strongest conceivable military points of intersection. The route from the Baltic coast and Central Europe to the open waters of the North Sea and the Atlantic runs through Oresund and the Belts. The narrow channel of waters which we have outside the southern coast of Scania, and above all in Oresund, constitutes an important link in peace as well as in war.

waters which we have outside the southern coast of Scania, and above all in Oresund, constitutes an important link in peace as well as in war.

In the event of a conflict between the major power blocs it is likely to be in the interest of the Warsaw Pact at an early stage to hamper NATO sea transports across the Atlantic. For this reason, and since the principal portion of the Soviet shipyard resources is situated on the Baltic Sea, it is necessary to control the Baltic outlets for use in naval warfare in the Atlantic.

NATO, which today controls 2 1/2 of the 3 outlets, naturally wants to prevent the WP from utilizing the Baltic Sea and the Soviets from having free passage in and out of the Baltic Sea for repairs and maintenance, for example.

It is evident, above all from the extensive exercise activity constantly under way near our territorial limit at sea south of Scania, that both major power blocs have a great deal of interest in the Baltic outlets. During 1985 NATO and the WP carried out no fewer than about 30 national and pact-related exercises within this large area. To this is added the large number of passages in and out which take place through Oresund and the Belts. During one month in the summer of 1985, for example, nearly 90 passages of ships belonging to the Soviet state, the majority of them warships and among those 12 submarines, were recorded. Eleven of these submarines passed through Oresund. The passages took place in connection with a major Soviet exercise in the Atlantic.

Naval activity in the Baltic Sea today clearly shows that the interest of the major powers in Oresund and the Baltic is not historically conditioned but has a real military-political background. There is every indication that it will continue in this manner for the foreseeable future.

The area of open sea south of Scania has been considerably reduced by the fact that the GDR on 1 January 1985 expanded its territorial waters to 12 miles. Consequently, there is less room for NATO exercise activity, something that has increased the risk of violations of our territory.

Both NATO and the WP have long been monitoring shipping in and out of the Baltic Sea. Warships from the navies of the WP countries are constantly anchored just outside our territorial limit south of Trelleborg in order to follow and report on what is happening. Other units are lying in the Fehmarn Belt and in the Cadet Channel.

Continuous intelligence-gathering is undertaken by both parties in the area. Signal reconnaissance ships, warships and aircraft gather information on the activity of the opposite party. The intelligence actions of foreign powers are even aimed against our activity.

Sea Traffic Through Oresund and Southern Scania

Oresund is one of the world's busiest international channels. The volume of ship traffic is equal to that of the English Channel, for example. More than 25,000 ships pass through the sound each year and there are 140,000 passages across the sound. Warships and ships belonging to states from both East and West often pass through the sound—about 1,000 annually. South of Scania, where the traffic from Oresund, the Belts and the Kiel Channel is funneled, the number of ship passages amounts to nearly 100,000 per year. Against this background of intense traffic and extensive military activity around the coasts of Scania, it is not surprising that most of the incidents at sea occur in these waters. About 20 violations or unlawful passages take place here annually, which is nearly half of what occurs in the nation as a whole. All of the violations by surface ships which took place in 1985 took place within this region.

Military and Civilian Need for Naval Surveillance

In peacetime as well as times of crisis there is both a military and a civilian need for monitoring the intense sea traffic in and around Oresund and the Baltic outlets. The military commander of the Southern Military District has commissioned the chief of the Malmo Naval Surveillance Area to conduct continuous surveillance at sea in Oresund and along the southern coast of Scania, as well as to intervene when necessary against violations, unlawful passages and other transgressions of our access regulations. By comparing the actual picture with a so-called normal picture, changes in the traffic pattern can be read, which in turn can lead to increased preparedness. One measures the temperature in the area, so to speak. Other duties are keeping tabs on training activity in the vicinity of Swedish territory, gathering intelligence and by means of escorting, for example, following ships belonging to foreign nations during their legal passage through Oresund.

But other authorities as well are interested in effective surveillance. The Customs coast guard needs to be able to monitor the situation at sea in order to discharge its duties. Examples of this are surveillance of the fishing zone, supervision of commercial fishermen, monitoring the traffic separation in effect at the time and fighting smuggling, for instance in the growing narcotics traffic across the sound. The coast guard also has important duties involving protection of the sensitive marine environment. Another important duty is to obtain basic material for commanding rescue operations at sea. Although to a lesser extent, the National Administration for Shipping and Navigation also has an interest in monitoring for the purpose of duties such as following environmentally hazardous cargoes through Oresund. As has been shown, surveillance of the Baltic outlets is not only a concern for the Navy but affects purely civilian authorities as well. It is therefore natural that surveillance and communications functions should be integrated and coordinated by these authorities.



The Baltic outlets seen through Soviet eyes.

The Malmo Tests

In order to study the preconditions for increased coordination of surveillance in Oresund, the government in 1981 gave the Office for Administrative Rationalization and Economy a special research task. This resulted in a special test activity, the so-called "Malmo tests."

The experience was favorable, and in December 1984 the government decided that a joint information center for marine surveillance should be organized in Malmo from 1 January 1985 with the participation of the Navy, the Customs coast guard and the Shipping and Navigation Administration. Operational responsibility for the facility was given to the Navy, which was to employ and train another three marine surveillance assistants, all of them former career officers in the Air Force. During 1985 the Maritime Surveillance Center was rebuilt and expanded, at the same time as a number of new radar stations were

added to the maritime surveillance system. On 27 November the Navy chief and the commissioner for the Board of Customs dedicated the maritime surveillance center "Malmo Maritime Center," jointly operated for the Navy, Customs Office and the Shipping and Navigation Administration.

The center is manned around the clock by marine surveillance assistants as well as 12 conscripted surface observers. At the center shipping movements from the Bornholm narrows to the southern Kattegat are followed with automatic equipment. The system plots the information on radar and television screens and can record up to 400 ships simultaneously. The information is stored in computer memories and the opportunity exists for going back about a month and studying how a certain target has moved.

The Maritime Surveillance Center also has good capacity for commanding both customs and naval units. For example, it is possible to transmit target data to Navy ships at sea. Recently, civilian air reconnaissance radar was also connected with the Marine Surveillance Center, which enables monitoring of military and civilian air traffic. The new Maritime Surveillance Center and the implemented coordination have worked out well, even if there has been lukewarm interest on the part of the Shipping and Navigation Administration. Both civilian and military surveillance has improved, as well as the command capability. The next step in the coordination between the coast guard of the Customs Office and the Navy should be better joint utilization of the ship resources.

Identification and Ship Resources Insufficient

All is not well, however. An important part of the surveillance system is resources for identification and for intervention during violations or other transgressions of our access regulations. At present these resources are insufficient both with respect to quantity and quality. The naval surveillance radar stations lack the capability for identification, and ships at sea and aircraft are therefore needed in order to give the hundreds of targets which appear on the radar screens an identity. For identification from aircraft the Navy previously shared with the Customs coast guard aircraft based at Sturup. This was of great value for the identification activity. The aircraft was destroyed in a crash in August 1984, however, and has not yet been replaced. The coast guard is soon to receive new coast guard aircraft, and it is very important that one of these will be based at Malmo.

A good example of military cooperation across service branch boundaries is the cooperation with the Flight Training School at Ljungbyhed. SK 60 aircraft suitable for the task undertake reconnaissance and identification flights for the Maritime Surveillance Center during their regular passes. The pilots are qualified and their identification capability is good.

Despite the good cooperation with the Customs and the Air Force, ships are needed for continuous monitoring of ship movements around Scania. Ships are needed in darkness and poor visibility and when flight activity is suspended for various reasons. They must also be able to intervene during violations

and when it is required escort foreign state ships moving in Swedish territorial waters in Oresund. In connection with foreign military exercise activity they must be able to demonstrate a naval presence in our immediate vicinity.

Added to these important duties is also that in a crisis situation, as well as in wartime, the ships are to be utilized for pure combat duties. In several presentations both the commanding general and the chief of the Maritime Surveillance Center have brought the existing shortcomings to the attention of the supreme commander, but other priorities and the lack of ship resources have not allowed for a return to the order which existed before.

The southern Baltic, along with Oresund and the Belts, occupies a major place in the Swedish security policy. This refers to both peace and war, as well as to crisis situations. During a conflict between the major powers the Oresund region, being a part of the Baltic outlets, is likely to attract the interest of the major powers at an early stage. It is therefore necessary to anticipate early in the introductory phase of a conflict that the number of incidents in the area will be extensive and serious. A crisis development may even originate in that area.

The right of neutrality demands that the neutral state protect all units legally appearing in the neutral territory. If foreign warships make use of the right to pass Oresund in Swedish waters, neutral Sweden is obliged to protect them.

Each measure or failure to act will be carefully noted by both major power blocs. This imposes great demands for effective surveillance, rapid decision-making and good capability for intervention during violations. It also demands a great deal of leadership capability and good knowledge of international law. Accordingly, the decisions taken may be of the greatest significance for our ability to stay out of a war. It could thus be stated with some justification that the most important and most difficult tasks of the Maritime Surveillance Center are in peace and in times of crisis. Against this background it is important that the preconditions for surveillance have been improved through the expansion and coordination which has now taken place. The opportunities for identification and intervention at sea are still insufficient, however. It is therefore desirable and essential that the conditions in Oresund and around the Baltic outlets should be the focus of special attention before the 1987 defense decision.

The supreme commander is of the opinion that the importance of the Baltic outlets to the power blocs has not been sufficiently illuminated by the 1984 Defense Committee. The position of the Belts and Oresund as international channels give the region a special importance even in the early phase of a crisis development. In wartime the area is of major importance above all in air operations, but also in land operations—meaning from Danish territory—for the purpose of influencing military operations in Central Europe. Today NATO occupies a favorable initial position for this. Challenging NATO for these advantages is likely to be important to the WP. From the aspect of

naval operations, the area gains significance--as indicated by the committee--primarily during a prolonged war. However, delaying operations against the Baltic outlets until it turns out that an initiated war will become protracted could be connected with significant disadvantages. Hence, it is for several reasons and in varying stages of a conflict that this part of the Nordic region is of major importance to the power blocs. That could result in military operations being initiated early on in a conflict for the purpose of gaining control over the area.

11949

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ECONOMIC

EUROPEAN AFFAIRS

INCREASE IN FRENCH-SPANISH TRADE FORESEEN

Paris L'USINE NOUVELLE in French 3 Apr 86 pp 83-85

[Article by special correspondent Vincent Nouzille in Spain: "Selling in Spain: The New Deal"]

[Text] Tariff disarmament, elimination of quantitative restrictions on imports, replacement of several taxes by value-added tax...the Spanish market is becoming more and more attractive. It is a new deal, one which should further strengthen the French presence on the Peninsula.

Since 1 March the customs duties applicable to trade between Spain and the 11 other members of the EEC have been reduced by 10 percent. Thus the base tariff of 20 percent has been reduced to 18 percent, in the first of eight phases of customs disarmament scheduled under the treaty of Spanish adherence to the Common Market. The long march will go all the way to 1993. In other words, one must not expect extremely rapid changes, particularly since the Madrid government has said it is prepared to invoke the "escape clauses" if imports of certain products increase too rapidly. It has just done so, with the blessings of the European Commission, in the case of steel products, imports of which had increased to the point where they were threatening Spanish steelmakers. It might take similar measures to protect itself against an invasion of textile products from the Community.

But add to customs disarmament the elimination of quantitative restrictions on imports (except on 10 sensitive products) and the replacement of multiple taxes by value-added tax, starting on 1 January, and it is clear that a new era has begun for the Spanish market. In concrete terms, if product X was subject to 40 percent import taxation (20 percent customs duties plus indirect taxes), it will now only be subject to 18 percent, since the value-added tax can be recovered by the foreign exporter.

Over the next five years, France, which already has a significant presence on the Peninsula (1,300 French enterprises are already established), should certainly expect to profit from this new deal, by increasing its exports of agro-food products and equipment goods...if French enterprises, large and small, get their act together.

At the national level, it is becoming critical. Imports of Spanish products to France increased from Fr 30.7 billion in 1984 to 36.5 billion last year (+18.8 percent), while French imports increased only from 26.2 billion to 29.3 billion (+12 percent). The French deficit has thus increased from 4.5 billion to 7.1 billion. France, Spain's biggest customer, is only Spain's third-largest supplier, holding 9.3 percent of the market, behind the US (11 percent) and West Germany (9.6 percent).

France's primary exports to Spain are spare vehicular parts (6.3 billion), specialized vehicles (2.2 billion), informatics equipment (1.6 billion), raw steel, scrap iron and old metal (2.3 billion).

This rather narrow spectrum should be broadened. "New prospects are opening up for French products, both in the field of equipment--as a result of the industrial modernization under way--and in the field of consumer goods. The market is becoming more diversified, Spanish tastes are changing," notes Alain Hoyois, commercial attache at the French embassy in Madrid. The office of economic expansion has analyzed the major needs and identified those which France could readily meet. But the commercial attache adds: "Competition will be more lively. We must offer quality products, and above all we must invest in distribution, in fact get industrially established, to be sure of being able to exploit these markets in the next 2 or 3 years."

For the last several months commercial agencies in Spain have noted a very clear upsurge in interest, to judge by the number of visitors. For example Satam International, a subsidiary of the CGE group which manufactures gasoline pumps, has just commercially reorganized its Spanish subsidiary in order to profit from the probable installation of new distribution networks, following the dismantling of the CAM PSA monopoly. Similarly, the Eminence Company plans to increase sales of undergarments through supermarkets and "super-supermarkets," with 70 percent of the capital being controlled by French companies (Promodes, Auchan, Carrefour).

The French are launching numerous initiatives to acquaint small and medium-sized businesses with the Spanish market: chamber of commerce missions, participation in Spanish trade fairs and exhibits. Considerable success has been achieved through informational and trade-contact events such as those put on by the CFCE and the Ministry of Agriculture last September in Paris and last January in Madrid (wines and spirits); by the Permanent Conference of Chambers of Commerce and Industry of Southeastern France and Northwestern Spain (COPEF) last October in Toulouse; and by the ESC Lyon Group and Credit Lyonnais on 7 March. Another, organized by the Regional Agency for Development of Trade with the Iberian Peninsula (ARDEPI) in Bayonne on 6 March, brought together 130 enterprises grouped around several sectoral themes: furniture, wood, agro-food, corn, textiles, shoes and transport. The experts believe, for example, that an additional million tons of French corn could be exported from Bayonne, Bordeaux, Rouen and Port-la-Nouvelle.

Beyond these traditional promotions, several recent and promising initiatives should give new hope to exporters and heads of industries desirous of working in Spain.

--ARDEPI has developed an economic data bank on Spain called "COMESPA." It contains administrative formalities, specifications, the addresses of importers and the markets for 3,000 agricultural and agro-food products. Available through Minitel on an annual subscription basis (about Fr 3,000), COMESPA is kept continually updated thanks to the trade development offices in Spain and an agreement signed with the CFCE. Data on consumer and equipment goods is currently being gathered. The project should be completed by mid-1987.

--A Franco-Spanish venture-capital investment fund, Invespaigne, is being put together. "The intent is to support the efforts to establish reciprocal small and medium-sized companies," notes one of its promoters, Anxton Lafont, the head of ARDEPI. On the French side, an initial fund of Fr 10 million has been accumulated--90 percent from French partners (Credit National, Societe Bordelaise de CIC, Compagnie Financiere de CIC) and 10 percent from Spanish entities (Banco de Vizcaya, Sociedad Bancaya de Promocion Empresariales) and nine regional banks. Simultaneously another fund will be established in Spain, with the proportions of the two investor groups being reversed. To complete the description of this unique scheme, a service company, Invespaigne Conseil, has just been created in Bayonne, with the participation of the Chamber of Commerce. It will do the work of selecting and preparing projects. Some 20 proposals are already on the desk of its president, Jacques Saint-Martin. The French fund should lead to about Fr 40 million of investment.

The National Council of French Employers (CNPF) and the Spanish Confederation of Empresarial Organizations (CEOE) decided to join forces several days ago to establish a Franco-Spanish Business Cooperation Office, OFERE. It already has two branches, one at the CEOE in Madrid (headed by Rafael Gijon), the other at the CNPF in Paris (headed by Paul Maravel).

The aim of OFERE is to "help enterprises of the two countries to get in contact with each other, in the hope of stimulating new cooperative ventures and the establishment of financial ties (joint ventures, stock shares, mergers, acquisitions, etc.)." In that connection, the French employers' and professional associations have just recently received a letter from Yvon Gattaz on behalf of OFERE enclosing questionnaires to be disseminated to their members. Requests and offers of cooperation, after review at the national level, will be sent to Madrid and disseminated to CEOE local and regional offices. "Our role will be confined to getting people in contact, for example with the expert advisers available to small and medium-sized businesses," explains Catherine Bazy, head of the southern European sector of CNPF.

Finally, French banks are becoming increasingly active participants in this "mobilization," which goes beyond our borders. According to a recent study by Peat Marwick, 3,000 foreign companies are going to invest in Spain over the next 5 years. They will all need financial advice and services, and hence bankers. The latter are getting prepared. For example Credit Commercial de France, established in Spain since 1983, has developed a commercial banking operation which has pushed it up from 30th place to the number eight foreign

bank in Spain. "We scoured France in 1985 and met many enterprises interested in the Spanish market," says the general manager of CCF for Spain, Jose Antonio del Pino. The three offices, located in Madrid, Barcelona and Bilbao, offer French and Spanish enterprises "special service": commercial, juridical and administrative assistance in searching for partners, creation of companies, help in repatriating credits, financing of bilateral trade, short and medium-term loans, credits denominated in ECU's, etc. In addition to these traditional operations, the company in 1984 established a leasing subsidiary for the financing of real estate and non-real estate investments. And just recently a consultations subsidiary, CCF Service Financier, which will set up joint-venture operations, cooperative activities, etc.

CCF is evidently not the only French bank in Spain, since all the large banks are established there. Credit Lyonnais has for several years now been active in providing information to French enterprises. For its part the Societe Generale (which has four subsidiaries in Spain) brought together 200 Spanish importers and distributors on 10 March to meet with the Chamber of Commerce of Toulouse and the Regional Chamber of Agriculture, and in late 1986 will hold a seminar in Paris and organize a trade mission. Finally, the most recent example, Credit Agricole several months ago joined with Banco March in creating Hifrada to finance activities in the agro-food sector. There are so many support facilities and so many open doors that business can no longer ignore them.

9516

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2 June 1986

ECONOMIC

BELGIUM

DEHAENE COMMENTS ON BUDGET PROBLEMS, COALITION WORKINGS

Brussels DE STANDAARD in Dutch 8 Apr 86 p 3

[Interview with Jean-Luc Dehaene, Belgian minister of Social Welfare and Institutional Reform, by Hugo De Ridder: "Dehaene--I'll Do Everything Possible to See to It That Martens Succeeds"; in Zeebrugge; date and occasion not given]

[Text] Zeebrugge--Minister Dehaene looks out of his apartment right on to the harbor works of Zeebrugge, and on his wall he has hung a detailed map of what it is all supposed to look like eventually. He points with some Schadenfreude at the sore (Antwerp) spots in the project. He seems to be in fine form. The first days of the conclaves are past and have left him with a positive impression. The minister is willing to give us a cautious look at his cards in the first interview he has granted since the government took office.

First of all Jean-Luc Dehaene wants to clear up "the misunderstanding about Stuyvenberg." Politicians and public opinion are unhappy because the government is not getting on faster with its work. After the electoral victory under the slogan "no about-face," people evidently expected a fast start from the new government.

In fact, at Stuyvenberg we began by negotiating the basics and formed a totally new government, he says. Martens VI is not at all the same as Martens V. Half of the 15 ministers are new or have a different job: new as national ministers are Verhofstadt, Damseaux, de Donnéa, and Buchmann. Eyskens and Maystadt have changed jobs and De Croo has gotten a new responsibility. It might not seem so to someone on the outside but a minister with a new department to manage starts out as a "political virgin."

[Question] In 1981 the government was even more of a virgin but after 2 months it was already hard at work.

[Answer] I admit that this government--this new one, as I said--still has to go through its ordeal by fire. The Martens V cabinet was only able to build up its good reputation as a team governing skillfully above the parties after it had received special powers from Parliament. Martens VI now has to prove its political stuff. The breakthrough has to come before the end of June. By then the plan to put things back on an even keel has to have been talked through within the government and with the social partners. The test of whether we can carry out a coherent policy and form a real team as a government is coming now.

Politicians Aren't Bookkeepers.

[Question] In the meantime the ministers are beating their chests to show people how brave they're going to be, as Ludo Dierickx put it so expressively. But sometimes they also give their own colleagues' ears a cuff too.

[Answer] The contradictory statements made by some of the ministers, I attribute those to the growth process. But believe me, the plan that we're going to work out to set things straight will come as a big shock to public opinion as the devaluation in February 1982.

[Question] That kind of plan is not so hard to write down on index cards but how are they going to make it come true in real life?

[Answer] I set three conditions: 1) the plan must be technically correct; 2) it must fit into a general economic policy; 3) it must be politically feasible. So the measures have to be worked out correctly in terms of the effect they'll have, in net terms and taking side effects into account. So the first thing we'll do is to see that the 1987 budget is right. We'll just derive this year's budget from that one, as it were. The figures for 1987 have to be as accurate as possible. A number of political decisions that still haven't been made will have to be worked into it. I'm thinking here about the financing of the national sectors, the housing debts, the construction sector. A supplementary clean-up operation to deal with later "surprises" wouldn't be feasible politically.

It would, however, also be wrong to approach the whole operation as a purely technical problem. Politicians aren't bookkeepers. State finances and the budget don't exist in a vacuum. Any plan to put things back right has an effect on employment and purchasing power.

[Question] Since Stuyvenberg oil prices have fallen smartly. Will that make the operation easier?

[Answer] Yes and no. The reverse oil shock increases the chances of success, but it can give people false ideas. The first ones to profit from the phenomenon are business. They have to adapt to that in the areas of growth, investment, and employment. We have to do the reverse now of 1974-1981.

[Question] Can you be clearer?

[Answer] Well, in that period the government created roughly 150,000 jobs to make up for some of the 250,000 jobs that disappeared in business. Our plan to set things back right will include eliminating some of the employment now maintained at state expense. The reverse oil shock must make it possible for companies to absorb a large portion of what the government will drop. I still can't give you figures for that, but it will be a major operation. That's why the budget operation has to proceed in tandem with the social consultation. If the latter fails, the government will be ready with an alternative, which for instance will include Michel Hansenne's plan to combat youth unemployment.

[Question] To date we still haven't seen business adapting to the reverse oil shock. Other than for oil, prices are hardly falling, nor do we see large-scale hiring.

[Answer] It's only human that a rise in prices works through faster than a decrease in prices. But the preconditions are present to give the economy another powerful thrust: low energy prices, decreasing interest rates, and very low inflation. Now's the time for business to show us what it can still do, so that the government can reduce its compensatory effort since the first oil shock, without causing great social shocks.

Pension Savings

[Question] You just said that the operation to set things right also has to be politically feasible.

[Answer] What we've started on can succeed only if we can reach a political balance. Afterwards, that is to say, it shouldn't be possible to speak in terms of winners and losers. Everybody has to have been burned so that we're all obliged to defend it and carry it out coherently. You also have to be consistent. You can't, for instance, defend a large-scale operation to save money and in the same breath demand advantages for a certain category of citizens.

[Question] What do you have in mind?

[Answer] Tax advantages for pension savings, for instance. I don't have any objection to that at all but the time and manner in which it's carried out has to be compatible with the budgetary operation.

[Question] Will you be able to resolve this kind of political contradiction?

[Answer] Martens must succeed in his operation and I'll do everything to see to it that he does so. Indeed, from the first conclave meetings I find that the current team is up to it and that if it wins through, it'll show the same stability and forcefulness as the last one.

[Question] Has anything concrete already come out of the first talks?

[Answer] The preparatory work Budget Minister Verhofstadt has done is very important. The analysis of our expenditure mechanisms in particular will be very useful. He truly has not wasted any time. The toughest problem is that of the national debt. To be sure, we've been lucky in that connection with the reverse oil shock and the decrease in interest rates. Even so, we have to get to work on active debt management to gain the maximum profit. With Mark Eyskens' arrival various things have already been set in motion on that. People are no longer passive, and the experts group is working hard.

The National Social Security Service and the Tax Authorities

[Question] What's happening in your sector?

[Answer] I've already said that it would be an illusion to think that Social Security can escape the general clean up operation. The government subsidy to this sector amounts to 320 billion francs, i.e. 20 percent of our running expenditures. For myself I have set up four points of departure:

- 1) We'll have to take the aging of the population more into account. In the long run it's not possible to totally maintain the solidarity of those working with those not. In some sectors and particularly in health insurance it will also be necessary to build in this solidarity among those not working.
- 2) We'll also have to distinguish between what's essential and what's extra. To be specific, it doesn't, for instance, seem to me to be essential to provide a funeral allowance as part of the disability allowance.
- 3) We can't carry on fairly with our clean-up program if we don't build the income factor into our social system alongside the family factor. That demands intensive cooperation between Social Security and the tax authorities. We can do this in either of two ways. Either Social Security makes its data available to the tax authorities, so that the benefits can be taxed, or the tax authorities make their data available to Social Security, so that the benefits can be modified according to income level.
- 4) Finally, we'll be managing a number of expenditure mechanisms better. A start has already been made on this in the hospital sector with the reduction in the number of beds, the drop in the number of days

spent in the hospital, and the envelope financing. We'll also be tightening up the administrative and medical controls for doctors, paramedics, and sick funds.

[Question] The cooperation between Social Security and the tax authorities will create a lot of opposition. First of all, this will be used as a roundabout way to increase direct or indirect taxes. In addition, there's a 2-year delay in finding out the tax situation. In the meantime those covered by social insurance may already be under completely different regulations.

[Answer] Any measure will create opposition. However, I don't think our partners see a revision of the taxes on make-up income as falling under the ban on new taxes. Additionally, of course we have to build in corrective mechanisms to take care of the time difference between taxes and benefits.

[Question] The budget conclave, it seems, will go on for a while yet.

[Answer] To be sure, but I'm not going to let them get my goat; they won't get on my nerves with comments that we're not getting on with it fast enough. We've got to succeed, that's the most important thing.

[Question] Still, the criticism that this year's budget still hasn't been submitted is not unfounded.

[Answer] I have a suggestion to make up for lost time. In May why not submit the General Explanatory Notes for the 1986 and 1987 budgets (in two documents) along with the revenue budgets for those two years? The Chamber and Senate would be able to discuss and approve them before the recess. In the fall then we could submit global expenditure budgets with one big Parliamentary debate on the whole. In this way we could get away from the inflexible procedure of having a budget debate for each ministry. Those debates could be held separately in the committees with the appropriate minister. In this way all the budgets for 1987 could be approved before the end of the year. There certainly wouldn't be any less Parliamentary control. For that matter, I've had to defend my budget before Parliament 5 times now and I can't remember ever having had to change anything as a result of the Parliamentary debate.

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ECONOMIC

SWEDEN

EMPLOYERS' CONFEDERATION NEW CHAIRMAN ONNESJO VIEWED

Stockholm SVENSKA DAGBLADET in Swedish 16 Apr 86 p 2

[Editorial: "Swedish Employers' Confederation Chairman"]

[Text] The Swedish Employers' Confederation [SAF] is getting a new chairman. Karl-Erik Onnesjo, chairman of the board of Holmens Bruk, has been proposed by a unanimous nominating committee.

Onnesjo's name has been mentioned before as SAF chairman. But he did not want to serve. Until 1984 he was president of his company, a job that required his undivided attention. After that he felt that due to his age the job should go to someone else.

Onnesjo now says that he will serve for a limited period of time. Behind that statement one detects the feeling that someone who is 66 years old is more or less coming to the end of his active life.

This reflects a common prejudice here in Sweden.

Gosta Bohman turned 66 a few months after he joined the nonsocialist government that was formed in 1976. Marcus Wallenberg turned 66 in 1965, 6 months before he completed the merger between Enskilda Bank and Skandinaviska Bank.

We should probably focus on the remark Onnesjo made when he talked about the length of time he intends to serve in the post: "Time will tell how long I stay on the job."

Several commentators have speculated that SAF will have a lower profile than before with Karl-Erik Onnesjo as chairman.

DAGENS NYHETER believes that the fact that Onnesjo served as undersecretary in the Trade Ministry in the early 1960's means that SAF will not "stress the differences between the public and private sectors."

AFTONBLADET said that SAF should "abandon its extreme politicization on the extreme right wing" and hopes that Onnesjo's selection will lead in that direction.

The hopes of both newspapers will probably be disappointed.

It is true that Onnesjo has a very solid background in public affairs. But he left for the private sector in 1962. In other words he left public life at around the time it started to develop in an extreme direction.

During the time that Sweden has been "extremely political," Onnesjo has viewed society from various positions in the private business sector. Most recently, as a representative of what is unquestionably the biggest consumer of electricity in Sweden, Holmens Bruk, he has been forced to live with the lack of planning and rationalism exemplified by Sweden's energy policy. Consequently he has led the incipient revolt against the energy policy that is emerging in the private sector.

It is far from certain that AFTONBLADET is right when it talks of Onnesjo as a "temporary solution" and views his selection as a step away from "conservative neoliberalism."

It could turn out exactly the other way. We may find that SAF has acquired a chairman who will stay on the job for quite a while. And on the basis of deep personal experience he knows the limits to public power and activity that are needed in order for society and industry to function well.

Onnesjo is better qualified than any other Swedish industrialist to point out that the "neoliberalism" of the 1970's and 1980's can involve a need to restore the balance between public and private sectors that most people regarded as wise and sensible in the 1950's.

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